

**A strategic plan for enhanced
economic development**



A COMMUNITY'S ECONOMIC COLLABORATIVE

**City of
San Antonio**

www.sanantonio.gov

LETTER FROM THE MAYOR'S OFFICE

DEAR CITIZENS OF SAN ANTONIO,

Recognizing the need for innovation, growth, and increased competition to enhance the inherent strengths of the South Texas region, San Antonio's leaders have joined together to develop the **Strategic Plan for Enhanced Economic Development**, a document that will serve as a blueprint to direct the formation of a prosperous economy for the future. As former Mayor Howard Peak charged community leaders on January 29, 2001, "*....it will be your commitment* to implementing these strategies over time that will determine their success."

The community vision reflected in this Plan is to forge a thriving economic base, one that provides opportunities to form, attract, and retain commercial enterprises; moreover, one that stimulates the creation of more and better jobs, raising the standard of living for San Antonio residents. San Antonio's stakeholders strive to attain this ambitious vision by thinking regionally, focusing on San Antonio's comparative advantages, and developing strengths in partnerships and alliances, thus providing economic opportunities for all citizens.

The **Strategic Plan for Enhanced Economic Development** incorporates the collective results of numerous work sessions and action plans including: Working Together, Better Jobs Initiative, Community Revitalization Action Group (CRAG), the San Antonio Technology Accelerator Initiative (SATAI), and the Targeted Industry Work Sessions. City and community stakeholders have, through previous efforts, collectively built this plan to guide economic development for the coming years.

"I believe sustainable growth is *growth from within*, growth that weaves together the threads of arts and the economy, of balanced growth and basic services, education and environmental quality, and a new way of thinking about our government." (Mayor, Ed Garza, Mayor's Agenda 2001-2002)

This strategic plan is an expression of how San Antonio has chosen to pursue its bold future vision. At stake is the well-being of our common economic interest. Our success will be determined by the manner in which the city's leaders collaborate to ensure achievement of our shared goals for a prosperous economy.

Sincerely,



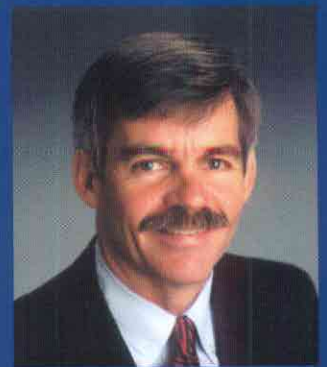
Mayor Edward D. Garza



Mayor Howard W. Peak



MAYOR EDWARD D. GARZA
(2001-)



MAYOR HOWARD W. PEAK
(1997-2001)

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City of San Antonio

I. Introduction

The future economy of San Antonio is at a crossroads. Will we, as a community, anticipate the future economic needs of the city and develop proactive strategies to address them, or will we continue to accept and react to the economic fate dealt us by the actions of others? Thanks to the efforts and commitment of many industry and community stakeholders over the past year, San Antonio has chosen to collaborate on building a "new economy" -- one that is regional in scope, leverages technology, focuses on comparative advantages, develops strength in partnerships and alliances, and provides opportunities for all citizens.

The economic development community, in conjunction with the City of San Antonio, has prepared this Strategic Plan to guide economic development across the city in the coming years. San Antonio's leaders, through the stewardship of Mayor Howard W. Peak and members of the City Council, have recognized the necessity for innovation, growth, and competitiveness that will shape a prosperous economy for the future.

A prosperous 21st Century economy involves more than using high technology. Today, all industries and business processes are technology-driven. The communities that successfully leverage their key assets are dynamic and efficient--they have mastered the ability to produce and use their knowledge and regional comparative advantages to innovate and create wealth. Such "high performance economies" are characterized by increasing prosperity, decreasing disparity, and improved sustainability of the environment and quality of life. San Antonio's goal is to strategically improve local economic conditions so that all citizens benefit from these high performance attributes. Historically, government, tourism, service industry employment, and a diverse array of small businesses shaped San Antonio's local economy. Today, these traditional sectors serve as the primary source of economic opportunity for the citizens of San Antonio and present an existing foundation for continued future growth in emerging sectors.

The Strategic Plan outlines a framework to create a high performance economy for San Antonio. Success will be measured through improvements such as: **raising the per capita income level** relative to state and national averages; **increasing the number of higher-paying jobs** from value-added businesses; **decreasing the poverty rate** through **increased education and skills** development; and **enhancing the delivery of community and quality of life services**. A coreset of guidelines form the basis for achieving San Antonio's new economy:

■ **Honor Community Responsibilities** - Economic growth and prosperity must be balanced while protecting San Antonio's environment and quality of life.

■ **Promote Civic Alliances** - Achievement of San Antonio's goals and successful implementation of the Strategic Plan demands new and stronger civic alliances. Community and regional government entities must commit to new ways of partnering effectively to ensure our future economic prosperity.



- **Focus on Entrepreneurial Alliances** - Economic development agencies, educational institutions and private sector forces must work in tandem to accelerate and nurture targeted driver industry entrepreneurial activity.
- **Embrace Technology** - Technology is the source of growth in the new economy. Our challenge is to harness our existing community assets while enhancing and integrating our technological capacities.
- **Invest Wisely** - We must make strategic choices that maximize the return of both public and private investments.
- **Promote Equity** - We are united in supporting equal opportunities for all citizens, addressing income and wealth disparities, and promoting equitable inclusion policies.
- **Instill Accountability** - San Antonio's economic development organizations must institutionalize accountability to citizens and stakeholders through the development of routine performance reviews and public disclosure of organizational performance, accompanied by ambitious goals.

Led by the City of San Antonio's Economic Development Department, this Strategic Plan represents a cohesive compilation of economic development strategies appropriated from existing planning documents and updated to reflect the current goals of San Antonio's economic leadership. The document draws principally on material developed through a public process that included the active involvement of community, business, neighborhood, industry, education, and organizational leaders throughout the city. The Strategic Plan also incorporates the collective results of previous work sessions and plans, including: Working Together, Better Jobs, the City of San Antonio's Master Plan, the Community Revitalization Action Group (CRAG) Plan, Targeted Industry Work Sessions, City Council Goals & Objectives, the City of San Antonio's Economic Development Department Plan of Action, and the Strategic Initiatives for Economic Development: 1991 and 1996.

In addition, key economic development organizations have actively contributed to the content of this Strategic Plan, including: the San Antonio Economic Development Foundation (SAEDF), the University of Texas at San Antonio (UTSA) Institute for Economic Development, educational institutions, and various Chambers of Commerce. This plan incorporates the collective goals, expertise, and insights of those community leaders.

In order to compete successfully for future resources, San Antonio must assert a new economic identity. The city must not only identify and capitalize on its comparative advantages, but also leverage community assets through greater collaborative alliances. **This Strategic Plan is an expression of how San Antonio has chosen to pursue and achieve this vision, through the utilization of identified resources and establishment of community partnerships.**

II. Strategic Framework for the New Economy

A. VISION

OUR VISION IS TO CREATE AN ECONOMY THAT PROVIDES OPPORTUNITIES TO RETAIN, FORM, AND ATTRACT NEW ENTERPRISES, AND RAISES THE PER CAPITA INCOME LEVEL FOR THE SAN ANTONIO REGION. THE REALIZATION OF THIS VISION IS EMBODIED IN A HIGH PERFORMANCE ECONOMY THAT ENCOMPASSES THESE FUNDAMENTAL STANDARDS:

- A high performance economy that creates greater **economic opportunities** for our residents, while enhancing the **quality of life**.
- An **entrepreneurial environment**, when nurtured, that leads to the creation and expansion of new economy businesses.
- A **spirit of conjunction and collaboration** with new and traditional economic partners **working together** in a constructive manner.
- **Workforce development** efforts that provide a better-trained and skilled workforce for the targeted driver industries.
- The opportunity for all citizens to attain a **higher quality of education** at all levels.
- San Antonio will thrive in an era of rapid technological change and will ensure that "digital divide" issues are addressed responsibly.

B. STRATEGIC COMMITMENTS

IN DEVELOPING THE STRATEGIC PLAN, CHALLENGES FACING THE COMMUNITY WERE IDENTIFIED. SAN ANTONIO'S TASK IS TO MOVE FORWARD TOGETHER TO ADDRESS THESE CHALLENGES THROUGH THE FOLLOWING STRATEGIC COMMITMENTS:

- San Antonio's economic development efforts have produced numerous studies and initiatives that should be **implemented**.
- Local government must assume a **stronger leadership** role in coordination and facilitation of regional economic development efforts.
- Economic development and educational institutions must find more **common ground** upon which to reinforce established strategies.
- Public and private interests must form **long-term partnerships** to develop a more highly skilled workforce.
- San Antonio must work to **strengthen existing targeted driver industries** and evolve into an effective technology-based economy.
- San Antonio's economic development organizations must develop a process for **measuring performance and providing accountability**.

- Long-term funding mechanisms should be identified to sustain investments in San Antonio's **human capital** and **physical infrastructure development**.
- Economic growth and prosperity must be balanced while protecting San Antonio's **environment** and **quality of life**.

C. KEY VALUES AND TACTICS

SUCCESS COMES FROM SELECTING THE APPROPRIATE GOALS AND THEN FOCUSING ON OBJECTIVES AND STRATEGIES TO ATTAIN THE COMMUNITY'S GOALS. KEY VALUES SERVE AS FILTERS IN THE PROCESS OF SELECTING FROM MANY AVAILABLE OPTIONS. THE CITY OF SAN ANTONIO IS FOCUSED ON CULTIVATING AND GROWING ITS PORTFOLIO OF DISTINCT, TARGETED DRIVER INDUSTRIES, THAT PRESENT THE GREATEST OPPORTUNITY FOR ACHIEVING STATUS AS A NEW ECONOMY. EACH INDUSTRY MUST BE SUPPORTED BY A SOLID ECONOMIC FOUNDATION COMPOSED OF TECHNOLOGY AND INNOVATION, HUMAN CAPITAL, FINANCIAL RESOURCES, PHYSICAL INFRASTRUCTURE AND A VIBRANT ENTREPRENEURIAL ENVIRONMENT.

IN THE PROCESS OF DEVELOPING THE STRATEGIC PLAN, THE FOLLOWING VALUES EVOLVED FROM COMMUNITY INPUTS:

- **Leverage our targeted driver industries:** We must focus on those industries that create the greatest economic impact and the greatest gain for the community for every dollar invested.
- **Look South to improve our comparative advantage:** San Antonio's most compelling uniqueness comes from our intimate and longstanding cultural, geographic, and economic ties to Mexico and South Texas. The strongest force for building a competitive advantage is to capitalize on this relative strength in the U.S. marketplace.
- **Leverage proximity to Austin's economic engine:** Our neighbor to the North has enjoyed enormous economic success because of its unique technology capabilities and higher education institutions. Rather than head-to-head competition, we need to identify gaps and develop complimentary activities that will broaden and stimulate regional economic growth.
- **Promote an entrepreneurial environment:** Entrepreneurs create most of the new jobs and new wealth in the U.S. economy through business start-ups and expansion. San Antonio must encourage entrepreneurship and remove barriers to entrepreneurial growth.
- **Maximize public/private resources:** We must identify, support, and champion public/private investments in project initiatives to support the growth of our targeted driver industries.
- **Encourage community empowerment and participation:** We need responsible economic development policies that do not leave businesses behind. We must provide all community sectors with the tools and opportunities to fully participate in the rewards of economic growth.
- **Collaborate to maximize synergy:** We need widespread participation of stakeholders involved in order to identify all appropriate opportunities and focus key players on desired common outcomes. We must organize institutional resources and monitor collaborative processes.

III. Strategic Plan

A. STRATEGIES

THE COMMUNITY DEVELOPED THE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OVER A PERIOD OF SEVERAL YEARS THROUGH NUMEROUS INDUSTRY WORK SESSIONS INVOLVING KEY STAKEHOLDERS. THESE STAKEHOLDERS IDENTIFIED THE FOLLOWING PRIMARY GOALS, OBJECTIVES, AND STRATEGIES TO SHAPE A NEW ECONOMY FOR SAN ANTONIO. WHILE THERE ARE MANY GOALS, OBJECTIVES, AND STRATEGIES LAID OUT IN A MYRIAD OF PLANS ADMINISTERED BY A VARIETY OF ECONOMIC DEVELOPMENT PROPONENTS, THIS STRATEGIC PLAN PROVIDES THE PRIMARY STRATEGIES THAT WILL ALLOW THE COMMUNITY TO FOCUS ITS RESOURCES TOWARDS SUCCESSFUL RESULTS.

GOAL 1: GENERATE MORE AND BETTER JOBS FOR ALL

Objective 1.1: Leverage San Antonio's Targeted Driver Industries

The community will focus on targeted driver industries, in which the city has, or can create a comparative advantage. These industries include biosciences, aerospace/aviation, telecommunications, information technology, logistics and transportation, and visitor-related business.

Strategies:

- Secure flagship status for the University of Texas at San Antonio.
- Secure a comprehensive A&M System campus in the Southern Sector of San Antonio.
- Leverage middle schools, high schools and higher education institutions to provide programs that develop a future workforce to grow and sustain targeted driver industries.
- Implement the November 2000 Aviation Industry Strategic Plan for the City's aviation facilities.
- Implement San Antonio Technology Accelerator Initiative (SATAI) action plans.
- Establish a Bio-Engineering Center at the University of Texas at San Antonio.
- Implement Logistics and Transportation industry action plans.
- Position San Antonio as a top 5 preferred leisure-visitor/corporate meetings and convention destination in the United States, Canada, and Mexico.

Objective 1.2: Maximize San Antonio's South Texas Advantage

San Antonio should work to become the economic service center of the region and the location of choice for U.S. companies operating in Mexico and Mexican companies (especially those with *maquila* operations) doing business in the United States. The city should also capitalize on economic opportunities through participation in the Greater Austin/San Antonio Corridor Council and the new Laredo/San Antonio Coalition.

Strategies:

- Implement the San Antonio Inland Port initiative and promote the city as a hub for Monterrey, Mexico based distribution, transportation, and value-added assembly activities.
- Position San Antonio as a leading research and treatment center for diseases that have a high rate of incidence in South Texas, such as diabetes and heart conditions.
- Provide value-added and logistics plus distribution for San Antonio and Austin's technology industry.
- Capitalize on the implementation of the cross-border trucking initiative with Mexico.

GOAL 2: PROMOTE A ROBUST JOB CREATION ENVIRONMENT

Objective 2.1: Facilitate the Business Development Process

The community will promote an entrepreneurial environment that encourages business retention and expansion while improving the existing business development process.

Strategies:

- Streamline business development processes as part of the One-Stop Business Development Center.
- Eliminate barriers to business by implementing the new Unified Development Code (UDC) and establishing the Development Services Department within the City of San Antonio.

Objective 2.2: Leverage Resources for a More Vibrant Economy

The community will ensure: 1) the availability of a skilled workforce for targeted driver industries; 2) access to a range of capital for business formation and expansion; and 3) essential infrastructure.

Strategies:

- Continue to seek funding and implementation of the Better Jobs Initiative to meet and sustain targeted driver industry workforce requirements improving our educational infrastructure.
- Align workforce development programs with forecasted labor market needs of the targeted driver industries for the new economy.
- Form a stronger partnership between targeted driver industries, Better Jobs, Alamo Workforce Development, Project Quest, and other community workforce training programs.
- Implement the San Antonio Technology Accelerator Initiative Entrepreneurial Alliance.
- Identify, support, and champion public/private investments in infrastructure (i.e., water, energy, transportation, and communications) necessary to support the growth of targeted driver industries.

GOAL 3: ENCOURAGE ECONOMIC EQUITY AND DIVERSITY

■ **Objective 3.1: Ensure Small Business Opportunities in the New Economy**

The community will continue to focus on responsible economic development policies that include small, minority, and women-owned business enterprises (SMWBE's). Efforts must ensure that all sectors of the community have the tools, opportunities and accessibility to fully participate in the benefits of the new economy.

Strategies:

- Identify and eliminate barriers to ensure fair competition in government contracts.
- Educate the small business community on ways to participate in the new economy.
- Include small businesses in the development and implementation of targeted driver industry.
- Educate and encourage targeted driver industries on the benefits of small business utilization.
- Conduct a new disparity study to evaluate the effectiveness of the City's minority business enterprise policy program performance. The last Availability and Disparity Study (Utilization of Minority and Woman-Owned Business Enterprises in Bexar County Report) was conducted in 1992.

■ **Objective 3.2: Promote Revitalization in Targeted Areas**

The community will leverage economic generators and assets to promote economic development in areas that are prime for growth and investment.

Strategies:

- Implement the KellyUSA Initial Base Adjustment Strategic Committee (IBASC) Strategic Plan.
- Leverage physical and intellectual assets of our research and educational institutions to promote growth and development.
- Continue the San Antonio River Channel Improvements Project to create a linear park from Brackenridge Park to Mission Espada.
- Continue implementation of the Downtown Strategic Plan.
- Continue implementation of the Neighborhood Commercial Revitalization (NCR) programs.
- Leverage community resources to create economic development in the City's Federal Enterprise-Community (EC), State Enterprise Zones (EZ) and Defense Zones (DZ).
- Finalize and implement the Brooks Technology and Business Park project.
- Identify social issues which may be addressed as business opportunities (e.g. infill housing, HUBZones, etc.).



GOAL 4: COORDINATE ECONOMIC DEVELOPMENT EFFORTS

■ Objective 4.1: Coordinate and Encourage Key Activities

The community will promote an effective organizational system for economic development that ensures communication, coordination, implementation, and accountability for the strategic plan.

Strategies:

- Restructure the San Antonio Economic Development Coordinating Council by establishing San Antonio, Inc., and formalizing the structure through City Council action.
- Ensure reporting and accountability of the Plan and economic partner commitments through San Antonio, Inc., reporting to a Governing Board led by the City of San Antonio.

■ Objective 4.2: Monitor and Communicate

The community will ensure economic development results by establishing performance measures and communicating results to all stakeholders.

Strategies:

- Measure, evaluate and report economic development results.
- Conduct a coordinated annual Economic Development Summit to address initiatives in the region.
- Make adjustments when measures indicate the need for improvements or new strategies.

“Success comes from selecting the right goals and then focusing on the correct objectives and strategies to attain the community’s goals...”

San Antonio has chosen to collaborate on building a ‘new economy’ -- one that is regional in scope, leverages technology, focuses on comparative advantages, develops strength in partnerships and alliances, and provides opportunities for all citizens.”

B. ECONOMIC COORDINATION: CREATE SAN ANTONIO, INC. - AN ECONOMIC PARTNERSHIP

SAN ANTONIO'S REGIONAL ECONOMIC DEVELOPMENT PARTNERS, IF GROUPED LIKE A LARGE CORPORATION, WOULD HAVE A TOTAL OPERATIONAL BUDGET OF \$143.5 MILLION, BE STAFFED BY MORE THAN 383 EMPLOYEES AND 10,000 VOLUNTEERS. THESE FORTY (40) PLUS ECONOMIC DEVELOPMENT STAKEHOLDERS COLLECTIVELY REPRESENT THE ECONOMIC LEADERSHIP OF THE SAN ANTONIO REGION. OUR CITY SHOULD DEMAND GREATER COLLABORATION AMONG THESE PARTNERS IN ORDER TO MAXIMIZE THE RETURN ON PUBLIC AND PRIVATE INVESTMENTS IN OUR ECONOMIC ASSETS.

THE FOLLOWING TABLE PROFILES SAN ANTONIO'S PRINCIPAL STAKEHOLDERS WHO ARE CRITICAL TO ACHIEVING OUR ECONOMIC DEVELOPMENT GOALS:

- | | |
|--|--|
| <ul style="list-style-type: none"> * Alamo Area Council of Governments * Alamo Community College District * Alamo Workforce Development * Austin/San Antonio Corridor Council * Bexar County * Brooks Technology & Business Park * Chambers of Commerce <ul style="list-style-type: none"> - African American - Alamo City - Greater - Hispanic - North - Randolph Metro Com - South San Antonio - Taiwanese - Westside San Antonio - Women's * City Public Service/Economic Development Division * City of San Antonio <ul style="list-style-type: none"> - Mayor - City Manager - Better Jobs Office - Aviation Department - Convention & Visitor's Bureau Department - Community Initiatives Department - Development Services Department - Economic Development Department - International Affairs Department - Library Department * COPS/METRO Alliance | <ul style="list-style-type: none"> * Economic Development Foundation * Free Trade Alliance * Greater Austin-SA Corridor Council * KellyUSA (Greater Kelly Development Authority) * Laredo/San Antonio Coalition * Medical Center Alliance * Metropolitan Planning Organization * Neighborhood Associations Coalition (4) * Project Quest * Private Colleges & Universities * San Antonio Education Partnership * San Antonio Life Sciences Association * San Antonio Technology Accelerator Initiative (SATAI) * San Antonio Water System * School Districts * South Central Texas Regional Certification Agency * Technology Advocates of San Antonio * Texas A & M System * Texas Research Park * Trade Commission of Mexico * University of Texas Health Science Center * University of Texas at San Antonio <ul style="list-style-type: none"> - Center for Economic Development - Institute for Economic Development - International Trade Assistance Center - Kelly Small Business Assistance Center - Minority Business Development Center - Small Business Development Center |
|--|--|



If energized correctly, San Antonio will harness economic development opportunities through better collaboration. This new partnership would leverage the potential of future economic development initiatives.

Currently, the San Antonio Economic Development Coordinating Council (SAEDCC) serves in a coordinating capacity, but is not sufficient to address regional needs. The SAEDCC was formed as a result of the Target 90/Goals for San Antonio. It was created for the purpose of developing a broad-based community consensus on major issues affecting our community's economic future. The SAEDCC consists of representatives from the City, institutions, various Chambers, community agencies and, a number of other organizations involved in efforts to improve our local economy.

After evaluating coordinating efforts in other large cities, the SAEDCC leadership is recommending a more effective model to better coordinate San Antonio's economic development efforts.

While other cities use different organizational structures for coordination, several characteristics have been identified for local application. Municipal governments fund most economic development efforts within each community. Also, organizational goals are typically achieved through a cohesive group of public and private sector leaders who concentrate on economic development strategies to produce results without duplicating efforts with limited resources.

Therefore, stakeholders have agreed to restructure the existing San Antonio Economic Development Coordinating Council. The chart on page 11 illustrates the proposed structure. In order to create a new identity, the new organization will be named "**San Antonio, Inc.**". The "**Inc.**" represents *inclusiveness*, with each member serving in the capacity of a shareholder seeking a better return on our City's overall investment.

The proposed Board structure of **San Antonio, Inc.** provides a three-tiered approach to implementing the Strategic Plan and regional economic initiatives.

- The **Board of Governors/Leadership Tier** will be composed of 16 institutional representatives led by their chair. The Mayor of San Antonio will be the overall Chair and will help set an economic agenda for the City. The leadership members will focus on overarching policy direction, and will meet annually to review progress on implementation of the Strategic Plan. This leadership group reflects entities with sizable resources and regional influence.
- The **Executive Board/Implementation Tier** will be composed of 16 economic development stakeholders represented by the Executive Officers of the listed organizations. The Mayor will appoint the Chair of the Executive Board and the Board of Directors Business representative position. The Economic Development Department Director will serve as Chair of the Executive Board for the first two years. The Executive Board will provide implementation, develop and coordinate initiatives, and maintain performance measures. Meetings will be held bi-monthly, with the Board of Directors from the third tier to coordinate initiatives, provide direction and communicate on economic development issues.
- The **Board of Directors/Resource Tier** will be composed of close to 60 representatives from sectors to include small business development, community organizations, targeted industries, regional collaborators, and education. This "grassroots" tier will provide citywide resources to better coordinate initiatives and offer a "reality check" to **San Antonio Inc.** Members will participate in the bimonthly Executive Board meetings to provide input and communication on the various economic development initiatives.

SAN ANTONIO, INC. - AN ECONOMIC PARTNERSHIP

GOVERNORS

Mayor
San Antonio
(CHAIR)

President
UTSA

Representative
Private
Colleges &
Universities

Chair
Greater
Chamber

Representative
School Districts

Chair
ACCD

Chair
AACDG

City
Manager

President
UTHSC

Vice
Chancellor
Texas A&M

Chair
Alamo City
Chamber

Chair
Hispanic
Chamber

Chair
Alamo Workforce
Development

Judge
Bexar
County

Chair
Economic
Development
Foundation

Director
COSA
Economic
Development

EXECUTIVES

Director
Economic
Development
COSA
(CHAIR)

Chancellor
ACCD

Executive Director
Alamo Workforce
Development

Director
Bexar
County-Staff

Mayor's
Designee

COSA
Better Jobs

President
Southside
Chamber

Executive
Director
UTSA Institute for
Economic
Development

President
Economic
Development
Foundation

General MGR.
San Antonio
Water System

General MGR.
City Public
Service

Executive
Director
AACDG

President
Alamo City
Chamber

President
Greater Chamber

President
Hispanic
Chamber

President
North
Chamber

DIRECTORS

Small Business Development

UTSA
- Small Business
Development Center
- Minority Business
Development Center
- Kelly Small Business
Assistance Center
- Center for Economic
Development

President
Chambers
- African American
- Randolph Metro-Com
- Taiwanese
- Westside
- Women's

Community

Business
Representation
- Mayor's Business
Representative
- Chair of City's Small
Business Committee
- Chair of County's Small
Business Committee

Representatives
Neighborhood
Coalitions (4)
Representative
COPS
METRO ALLIANCE

Targeted Industries

Director
Brooks Technology &
Business Park
President
SALSA
President
TASA
UTSA
Institute for Economic
Development
Director-COSA
Aviation
Community & Visitor's Bureau
Community Initiatives
International Affairs
Library
Development Services

President
Free Trade
Alliance
Executive
Director
GASA
President
Texas Research
Park
Executive
Director
SATAI Network
Executive Dir.
Medical Center
Alliance
UTSA
International Trade
Assistance Center

Regional Collaboration

Administrator
Metropolitan Planning
Organization
Executive Director
Austin/S.A. Corridor
Council
Executive Director
Laredo/S.A.
Corridor Coalition
Commissioner/Consul
General
Trade Commission of
Mexico

Education

Texas A&M
- TX Engineering Extension
Service
- TX Transportation Institute
- TX Engineering
Experiment Station
- TX A&M Palo-Alto
Executive Director
Project Quest
Executive
Director
S.A. Education
Partnership

Chancellor-President
Private
Colleges/Universities
- Incarnate Word
- Our Lady of the Lake
- St. Mary's
- Trinity

Superintendent
School Districts
AHISD, ECSD, EISD,
FHSIS, HISD, JISD,
LISD, NEISD, NISD,
RFISD, SAISD,
SCUCISD, SSISD,
SISD, SWISD



THE PROPOSED CHARGE OF **SAN ANTONIO, INC.** INCLUDES THE FOLLOWING:

- **IMPLEMENT THE STRATEGIC PLAN.**
- **MONITOR, MARKET AND COORDINATE THE STRATEGIC PLAN.**
 - **REGULARLY COMMUNICATE THE STRATEGIC PLAN TO THE COMMUNITY-AT-LARGE.**
 - **PROVIDE AN ANNUAL STATUS REPORT TO THE ECONOMIC DEVELOPMENT GROUPS, CITY COUNCIL AND OTHER STAKEHOLDERS.**
 - **DETERMINE PRIORITIES AND ESTABLISH PERFORMANCE STANDARDS CONSISTENT WITH THE STRATEGIC PLAN.**
 - **FACILITATE CONSOLIDATION OF LOCAL RESOURCES.**
 - **BE HELD ACCOUNTABLE BY THE MAYOR AND THE CITY COUNCIL.**
- **THE CITY WILL PERMANENTLY STAFF AND MANAGE SAN ANTONIO, INC. THROUGH THE ECONOMIC DEVELOPMENT DEPARTMENT.**
- **UPDATE THE STRATEGIC PLAN ON A REGULAR BASIS AND REPORT DIRECTLY TO THE MAYOR, CITY COUNCIL AND THE CITY MANAGER.**

The proposed implementation of the new **San Antonio, Inc.** structure is a high priority and will involve City Council action to formalize the organization. We can ensure that San Antonio's economic vitality is maximized through the stakeholders' collaborative efforts. Recognizing that all of the partners have a shared destiny, all stakeholders will be inclined to work together to establish San Antonio as a global leader in the "new economy".

"San Antonio, Inc. strives to incorporate the products of these model partnerships and build upon their momentum, moving San Antonio ever closer to the fulfillment of its goals"

C. ONGOING INITIATIVES

1. WORKFORCE DEVELOPMENT

One of the most crucial economic functions a community's institutions can perform is to produce a skilled workforce that meets the demands of existing and emerging industries. According to Texas Perspectives, Inc., "The accelerating role of information as a fourth factor of economic production (in addition to land, labor, and capital) places an even greater emphasis on increasing the educational attainment levels." The 1998 Texas Perspectives, Inc. Report, **Economic Returns from Higher Education in Texas**, makes the case that higher levels of education have a "significant impact on the wages an individual can command in the marketplace." Texas Perspectives, Inc., also quotes the Commission on National Investment in Higher Education, which examines the relationship between education level and trends in wages and family income from 1976 through 2015: "These trends all point towards much greater income disparity in the future unless education levels are increased for those at the lower end of the wage distribution."

Recognizing the critical link between education and good paying jobs, the community must be committed to creating and promoting **higher education and training standards** at all levels. The region's future economic success will depend on a highly skilled workforce. The intended effect of our efforts will be to raise the income level of the city's residents. To further strengthen our educational system and increase its responsiveness to industry needs, the community stakeholders have undertaken the following initiatives:


BETTER JOBS INITIATIVE:

The Better Jobs Initiative is one of the highest priorities for the City of San Antonio. It is an economic development program that seeks to create a common vision to build a commitment for human development that will encourage sustainable and equitable economic development. Based on a community-wide effort to improve the quality of life in San Antonio and raise the standard of living, Better Jobs focuses on workforce development. Such efforts will build the community's human capital through strategic investments and coordination to create a highly skilled workforce, and higher organization standards and accountability.

Better Jobs links partners in support of parents, education and public awareness, the community, quality early childhood education enrichment in after school programming, community commitment to scholarships, literacy and job training.

The City has begun the following workforce development initiatives:

- Created a new position of Assistant to the City Manager for Better Jobs, has established a Better Jobs Oversight Board, and a Better Jobs Expendable Trust Fund.
- The City's FY 2001 Adopted Budget includes funding for programs such as: Kindergarten Readiness Guidelines, After School Challenge Program, San Antonio Education Partnership Program (SAEP), and the Better Jobs Office.

- 
- Continued support of legislation to create the Better Jobs Act in the 77th Legislative Session led to the passing of Senate Bill (SB) 607. SB 607 relates to the creation of a municipal development corporation to operate, or contract to operate job training, early childhood development, education and other programs that will help build a more skilled workforce. The funds to accomplish this will come if San Antonio's voters approve a sales and use tax increase of up to one-half of 1 percent that could be imposed for no more than 20 years.
 - **Better Jobs Return on Investment Analysis Report:** The purpose of the report is to measure the costs and benefits of existing Better Jobs programs, and to calculate the implied rate of return that these initiatives presently generate. Taken together, the current programs actually more than pay their own way through improved lifetime earnings for participants and the resulting increased tax revenues to the City of San Antonio. This result is predicated solely upon the direct lifetime earnings consequences of these initiatives. Viewed in this light, public expenditures in the Better Jobs programs are a prudent and highly remunerative investment in the labor force and for creating additional economic opportunities for San Antonio. This kind of "win-win" opportunity is rare in most public policy and finance settings, and should be continued.

■ **PROJECT QUEST:**

Originated by COPS/METRO Alliance, this nationally recognized public/private model training program provides participants with high-skill educational training required for long-term employment and living wage incomes. The program identifies demand employment occupations in a specific industry and provides customized training to participants to meet industry needs.

■ **SAN ANTONIO EDUCATION PARTNERSHIP:**

Developed from COPS/METRO Alliance's collaborative efforts, this program provides support to high school students to encourage academic excellence and increase high school graduation rates. The program conducts a youth college preparation program that involves partners from public schools, higher education, businesses, government, and community organizations. Scholarships are awarded annually as incentives for enrollment in local colleges and universities to students who obtain a four-year 95% overall attendance rate and a cumulative grade point average of 80% over a three-year period.

■ **ALAMO AREA AEROSPACE ACADEMY:**

The Aerospace Academy Project is another effort that exemplifies the City's proactive strategy to help meet the skill requirements of growing industries. Responding to the workforce shortages of San Antonio's commercial aviation cluster, industry stakeholders are collaborating with the City, Alamo Community College District, (ACCD) community leaders and educational institutions to establish an Aerospace Academy that opens in the Fall of 2001. This career training program targets over 150 individuals (mostly high school students and some adults) who will receive aviation industry training provided by St. Philips College at one of two locations-East Kelly or at the San Antonio International Airport. This program will motivate students toward higher earning careers in the aviation sector. The City will contribute towards tuition assistance.

■ ADVANCED TECHNOLOGY CENTER:

The purpose of this center is to establish a world class advanced technology center in San Antonio with the capacity to support local economic development and to train new and existing high technology workers for the targeted driver industries. ACCD has received \$3 million in funding from the City to establish this Center at KellyUSA.

2. TECHNOLOGY

Leading regions around the world have well-established research and development institutions whose discoveries are often the seeds for new industries, such as bioscience or information technology. When these institutions grow and link to the economy they accelerate regional growth. San Antonio's strategy for improving access to technology recognizes that, although its research and educational institutions have strong competencies in their primary fields of scientific or technical activity, they are not always adequately organized to foster new enterprises or help expand existing enterprises. The City of San Antonio and the institutions realize that these constraints must be overcome. A community-wide effort is underway that will make investments to help create an environment more supportive of the rapid formation of technology-based businesses.

■ SAN ANTONIO TECHNOLOGY ACCELERATOR INITIATIVE (SATAI):

Through the leadership of the City's Economic Development Department the SATAI effort began in 2000. As a result of the collaborative efforts of community industry stakeholders, SATAI has identified opportunities for economic development in four emerging industry clusters-- bioscience, information technology, telecommunications, and aviation. The primary focus of SATAI is a network of networks within each industry cluster working together on common challenges, issues and action plans to help grow and expand that industry in San Antonio and the surrounding region. The following are specific SATAI efforts underway:

- In Fiscal Year 2001, City Council budgeted seed money to fund the establishment of a SATAI Network organizational staff to promote and facilitate the City's technology initiatives. In FY 2001, City Council also contributed funds to the University of Texas for the purpose of establishing a "Biotechnology Center" at UTSA that will help meet and sustain the workforce requirements for the bioscience industry.
- Establishment of an Executive Committee to oversee SATAI implementation and the SATAI Network staff activities.
- Establishment of a "Research Alliance" to address how research institutions can obtain additional federal research dollars and collaborate with the private sector on providing infrastructure to support commercialization, partnerships and alliances.

3. IMPROVING ACCESS TO CAPITAL

High performance economic regions typically have a broad array of financing institutions and instruments available and capitalize on the formation, expansion and attraction of business enterprises. A dynamic economy must have sources of seed and venture capital to enable technology-based start-ups and capital for business expansions. Moreover, a variety



of innovative credit programs are sometimes needed to enable citizens in distressed communities to overcome financial obstacles. Recognizing these needs, the City and its stakeholders have embraced several new opportunities to secure and target financing for San Antonio's economy where it is needed most. Some opportunities include:

CITY'S ECONOMIC DEVELOPMENT DEPARTMENT INCENTIVES:

To foster economic development, two key financial incentives are offered: industrial revenue bonds issued through the City-operated Industrial Development Authority (IDA) and loans to small/medium-sized companies through the San Antonio Local Development Company (SALDC). As part of the City's efforts to include small business development, SALDC was granted authorization of \$250,000 to be used in its Inner-City loan program. It has also borrowed an additional \$500,000 from Chase Bank for the same purpose. The Small Business Administration (SBA) recently increased the lending ceilings on Micro-loans as well as SBA 504 loans, allowing the SALDC to expand its loan programs.

U.S. SMALL BUSINESS ADMINISTRATION (SBA):

The SBA's guaranteed loan programs provided \$270 million last year to over 1000 area small businesses, for start-up and expansion capital. Funds are provided through local bank intermediaries, which agree to target small business credit needs in return for a partial guarantee reducing their risk level. Small to mid-size companies that will create jobs or investments in the community, especially minority and women-owned businesses, access debt-capital with the guarantee program which would otherwise not be available to them.

ACCION TEXAS:

ACCION operates in ten cities in Texas providing credit to individuals with "micro" businesses who do not have access to loans from conventional banking sources. It manages a \$5 million portfolio consisting of 1,600 loans, with a 97% repayment rate. The average amount of the loans is \$3,200.

COMMUNITY DEVELOPMENT LOAN FUND (CDLF, FORMERLY THE SABDF):

The City of San Antonio and 21 banks initiated the SABDF, a Community Development Financial Institution (CDFI), to address the under-served credit needs of small, minority and women-owned businesses in San Antonio and Bexar County.

SAN ANTONIO MINORITY BUSINESS DEVELOPMENT CENTER (MBDC) AND SMALL BUSINESS DEVELOPMENT CENTER (SBDC):

Both the MBDC and SBDC are dedicated to helping the small and minority business owner flourish and succeed in today's marketplace. Types of assistance available include financial, procurement, marketing, and management assistance.

SATAI ENTREPRENEURIAL ALLIANCE:

A number of organizations, institutions and individuals have implemented this initiative to respond to gaps in capital access, management, and business expansion. By prioritizing plans and activities around capital, management, and commercialization, the SATAI Entrepreneurial Alliance will bring vital focus to aligning all forms of enterprise resources, expediting key interactions among advisors and entrepreneurs, and encouraging faster commercialization results.

4. PHYSICAL INFRASTRUCTURE

■ WATER SUPPLY AND QUALITY:

Ensuring the City's future water supply is vital to economic development. Neither industry nor communities can grow if their source of water is not secure. The City of San Antonio has focused on developing and protecting the region's supply of water for the future.

■ Water Resource Plan:

Water use is expected to double by the year 2050. As a result, the San Antonio Water System (SAWS) is moving to secure additional water rights beyond the current source to ensure an adequate future supply of water for the community. In October 2000, City Council approved a 5-year SAWS Water Supply Fee that will help fund the projects to procure sufficient water resources and infrastructure to meet long term needs. SAWS is also completing a city-wide water recycling system and has recently executed agreements with several water source suppliers in the region.

■ Edwards Aquifer Recharge Zone:

On May 6, 2000, San Antonio voters approved Proposition 3, authorizing the use of a one-eighth cent sales tax revenue to acquire 10,000 acres of environmentally sensitive land over the Edwards Aquifer Recharge Zone and to create linear parks along the Leon and Salado Creeks. Land acquisition includes sensitive zones with unique plant and animal habitat, as well as geological features vital to the region's underground water supply. Approximately 20,000 acres over the recharge zone are being acquired or are planned for future parks and preservation areas, protecting the San Antonio region's water sources.

■ GAS & ELECTRIC SUPPLY:

Planning and developing future power sources for the South Texas region has become a crucial factor because regions with imbalances in energy supply, price and quality are facing the potential loss of industry and difficulty attracting companies. The city's stakeholders have taken steps to ensure that the San Antonio region's energy supply meets the demands and infrastructure requirements of a new economy.

■ City Public Service (CPS):

CPS is ranked as one of the best managed and most economical public utilities in the nation. Both CPS electric and gas systems are capable of handling continued growth in the region. CPS is also currently implementing a comprehensive strategic plan designed to restructure and unbundle rates, formulate a wholesale and retail marketing plan, reorganize CPS along functional lines, and maintain a debt management program. As a result of Texas Senate Bill 7, the Comprehensive Electric Industry Restructuring Bill, CPS now has the ability to choose when to opt into open-market competition.

■ Renewable Energy Resources:

Windtricity - City Public Service established a renewable energy program with the launch of Windtricity in April 2000. Wind-generated electricity is now available to all CPS retail customers. In July 2000, CPS entered into a long-term contract with Enron Wind Corporation to build and operate a large 17-turbine wind farm. A 15-year contract with Enron will provide San Antonio with a capacity of 25 megawatts of wind-generated electricity. It is estimated that these turbines will generate over 103 million kilowatt hours annually, which equates to providing electricity for over 7,500 average Texan homes each year.





■ Solar San Antonio:

In Spring 2000, CPS entered into a renewable energy partnership with Solar San Antonio, Inc. - a locally based, non-profit organization dedicated to disseminating information and developing interest in renewable energy and energy conservation programs. As part of its commitment to the environment, CPS will continue its pursuit of other renewable energy alternatives such as solar and landfill gas (biomass) energy. Besides being a renewable power source, these alternative electricity technologies are clean and have very little impact on the environment.

■ CPS and Kelly USA:

CPS and Kelly have signed a Memorandum of Understanding (MOU) between the two organizations for the purchase and future operation by CPS of the realigned and commercialized electric and gas facilities. The U.S. Air Force, KellyUSA, and CPS finalized the transaction in January 2000. The utility systems transferred at Kelly AFB are the largest ever conveyed by the U.S. Department of Defense, and are a model for other military base realignment projects.

■ Debt & Asset Management Program:

On March 8, 2001, City Council approved a CPS program designed to lower the debt component of energy costs, maximize the effective use of cash and cash equivalent assets, and enhance the utility's financial flexibility into the future.

■ **PUBLIC SAFETY:**

The City continues to strengthen its overall public safety infrastructure by allocating funding and resources for Fire, Emergency Medical Service (EMS) and Police to service the needs of all citizens.

■ San Antonio Fire Department (SAFD):

The SAFD serves an area of 413 square miles with a population of 1.1 million. At present, there are 47 fire stations housing 64 fire units, 24 full time EMS ambulances, 16 squad units, 21 District Chiefs, and about 1400 firefighters and paramedics. The Department is able to respond to 90% of all city blocks in 4.25 minutes or less for emergency responses. As a result of continued efforts to improve and add services, the Department has earned an Insurance Services Office (ISO) rating of 3, with one being the highest possible out of 10.

■ San Antonio Police Department (SAPD):

The SAPD mission is to provide quality community-oriented services, while building problem-solving partnerships with citizens to prevent crimes, reduce fear, and enhance the quality of life throughout the community, always treating people with dignity, fairness and respect. The Department has undergone a strenuous examination process, which resulted in the SAPD being accepted as an International Accredited Police Department by the Commission on Accreditation for Law Enforcement Agencies (CALEA). The Department is also an Internationally Accredited Law Enforcement Agency, winner of the National League of Cities *"Excellence in Community Policing Award."* The central core of SAPD's community policing activities is the San Antonio Fear-Free Environment (SAFFE) Unit. First established in 1994 with 60 officers and supervisors, then enlarged in 1996 with an additional 40 officers, the SAFFE Unit consists of officers whose focus centers on identifying, evaluating, and resolving community crime problems with the cooperation and participation of community residents.

STREETS & HIGHWAYS:

Transportation mobility and accessibility are crucial to business operations. Highway access will become of even greater importance as trade with Mexico continues to expand. San Antonio plans to maintain its connectivity to South Texas' highway system to ensure that we benefit from future cross-border trade.

■ City Streets/Highways:

The Texas Department of Transportation (TxDOT) has continued to enhance important commercial highways and Interstate routes, to include a \$143 million investment. Some of the planned and ongoing improvements include:

- Major improvement projects on Loop 410, IH 35, US 281, and Loop 1604 are underway.
- The third section of Wurzbach Parkway, from Lockhill-Selma to N.W. Military Highway recently opened, and work continues to complete this critical northeast-northwest artery.
- Construction is underway on a new interchange at Loop 410/US 281 by the airport and the interchange at IH 10/Loop 410 in the northwest.
- Extensive expansion of the lanes on IH 35 between San Antonio to Austin continues.
- TxDOT invested \$67 million in the implementation of a computerized highway information system known as the Transguide System covering 63 miles.

AVIATION:

San Antonio faces challenges in ensuring that its industries can efficiently get to their markets and receive their business customers. Improvements are continuing to be made in San Antonio's aviation facilities.

■ Aviation Industry Strategic Plan:

Completed in 2000, the Plan presents an overall development strategy to leverage the City's aviation facilities (S. A. International Airport, Stinson Municipal Airport and KellyUSA) to become a premier economic generator for the San Antonio region by maximizing opportunities in passenger air service, air cargo, aircraft maintenance, repair and overhaul (MRO), and general aviation.

■ A Capital Improvement Program for the San Antonio International Airport:

On December 14, 2000, City Council approved a \$350 million Capital Improvement Program for the San Antonio International Airport (SAT), which will be implemented over the next ten years. The improvements will focus on the airfield and terminal complex. The facility expansion is in accordance with the Airport Master Plan. The improvements will result in a 30% increase in airfield capacity (in terms of aircraft operations), a net increase of six aircraft gates to handle over one million more passengers annually, a 50% increase in the number of parking spaces, and a substantial increase in roadway capacity.



■ Passenger Facility Charge - PFC:

As a result of the passage of U.S. Congress PFC law on November 5, 1990, City Council approved a resolution on January 4, 2001 supporting the submission of an application to the Federal Aviation Administration (FAA) for use of a \$3.00 PFC. The passenger facility charge would serve as a new source of revenue, to meet a significant unfunded capital need at U.S. airports.

■ U.S. Customs:

Designation of the San Antonio International Airport as a port of entry makes it a landing site for arrival and customs processing. This means that if San Antonio is their final destination, general aviation aircraft operators no longer must stop in Laredo or Brownsville to process through U.S. Customs. The designation is for two years, at the end of which it will be determined whether this designation will become permanent.

■ **MILITARY BASES:**

The end of the Cold War has provided San Antonio with the opportunity to develop new assets from its long-standing military infrastructure, strengthening the regional economy. The five military bases in our region have the potential to provide a home for new transportation and logistics businesses, as well as industrial development that will broaden and reinforce our targeted industries. These are some of the initiatives at three of the strategic bases:

■ Kelly Air Force Base:

The Greater Kelly Development Authority (GKDA) continues to implement the community's Initial Base Adjustment Strategic Committee (IBASC) plan for the redevelopment of Kelly Air Force Base, now known as KellyUSA. GKDA has been very successful in securing new commercial tenants such as the Boeing Company, Pratt & Whitney, EG&G, and General Electric, who as of May 2001, are collectively creating approximately 4,500 new, skilled, high wage jobs for the local economy. KellyUSA is using its strategic South Texas location to promote import and export by land, air, and sea through NAFTA and other agreements with the Port of Corpus Christi and Union Pacific Railroad.

The following are some of the critical projects KellyUSA, the City, and community stakeholders continue to pursue:

- City Council approved KellyUSA's request to issue up to \$7 million in bonds to help finance the construction of a new hangar for Boeing.
- Approval of a joint use agreement in 2001 with the Air Force regarding the use of the Kelly runway for commercial operations.
- Continue working with KellyUSA to secure funding for the 20 year Development Plan in infrastructure improvements that are needed to help create a world-class business and industrial park. If this plan is implemented, KellyUSA could add up to 21,000 high-tech jobs to the Bexar County area by 2006.
- The construction of a "Kelly Parkway" that would link KellyUSA to US Highway 90, Loop 410, IH 35 and IH 37 to increase trade opportunities.

- Collaboration continues between the City, KellyUSA, Free Trade Alliance, and other stakeholders on a number of initiatives to develop KellyUSA as the centerpiece for establishing "Inland Port San Antonio" which includes:

- Federal funding to conduct a study to facilitate fast tracking of the Kelly Parkway and the expansion of the Union Pacific rail yard.
- Federal funding to study and build a business plan for establishing an International Trade Processing Center on KellyUSA.
- Obtaining Congressional and Presidential approval for implementation of the NAFTA cross-border trucking provision.
- Creating and funding an enhanced automated trade data processing system to facilitate and enhance trade with Mexico.
- Establishing partnerships and alliances with institutions and private companies in the Logistics and Transportation Industry cluster.

■ **Brooks City-Base:**

Congress granted the U.S. Air Force special authority to improve mission effectiveness and reduce the cost of providing quality installation support at Brooks AFB, Texas. This special authority allows Brooks AFB to transfer and lease back Federal land in a more streamlined manner, without being subject to some existing Federal property statutes, which presents an opportunity for high quality, multiple-use development in a unique public-private sector partnership between the City and the Air Force. Development of underutilized real property, including the sale or lease of Air Force assets, is part of an integrated strategy for transforming the base into a technology and business park.

- To carry out this development strategy, the Air Force is partnering with the City of San Antonio and is pursuing the conveyance of Brooks AFB property to the City by the winter of 2002.
- The City then intends to leaseback facilities to the Air Force, provide municipal and property management services, and promote economic development of available land and facilities.
- Legislative authority to use Brooks AFB as a demonstration model for efficient operation of military installations makes this project an important one for the Air Force, the private sector, and the City of San Antonio.
- Provision of municipal services to Brooks will help the Air Force reduce operating costs and will leverage Brooks' assets to create a "Technology and Business Park" generating new development and jobs in the Southern sector of the City.
- A comprehensive economic development plan for South San Antonio, with Brooks as the centerpiece, is being prepared which also includes a land use and urban design plan.
- Creation of a Brooks Development Authority with a Board appointed by City Council will oversee implementation of the City-Base Project.



■ Fort Sam Houston:

Fort Sam Houston has also initiated activities to reduce infrastructure costs and pursue asset management opportunities. In December 1999, Fort Sam Houston announced a Notice of Availability to Lease the former Brooke Army Medical Center (BAMC) and the associated two-building Beach Pavilion complex-over 500,000 square feet of potential rental space. Through a competitive selection process, the U.S. Army selected private developers Roy F. Weston, Inc. and Orion Partners to partner with the Army in building a business and leasing plan for more efficient utilization of available real estate assets. The plan will include financing strategies for proposed leasing arrangements and the development of properties. The City is working with the Army in this initiative to ensure compatibility with community development needs and goals. The Army and its partners expect to complete a business plan and begin renovations in the leased facilities by fall 2001. These facilities will then be marketed for leasing to private sector commercial tenants.

■ **DOWNTOWN, PARKS AND RECREATION:**

The City's quality of life is one of its major assets. For this reason, downtown improvements are vital to our economic development efforts. Given the downtown area and central business district are San Antonio's showcase for the world, the following initiatives are underway:

■ San Antonio River Channel Improvements:

This initiative supports improvements and investments for flood control, quality of life, easy street to river access, and aesthetics (sidewalks, pedestrian linkages, linear pathways, security lighting, park benches and landscaping). Partners represent inter-local government cooperation among the City, County, downtown stakeholders, and the San Antonio River Authority. The City's overall contribution to the total project is approximately \$36 million which will leverage an additional \$74 million in contributions to the project from the County Flood Control Tax and an additional \$15 million in private resources over the next 10 years for a total investment of \$125 million.

■ Convention HQ Hotel:

Starwood Hotels and Related Lodging Co. have entered into an agreement with the City to build a 1,200 room "Convention Headquarters" hotel. The Sheraton Riverwalk represents a \$257 million investment in downtown San Antonio situated next to the newly expanded Convention Center and San Antonio Riverwalk. The hotel will feature state-of-the-art facilities and amenities, 77,000 square feet of meeting space and a parking garage for 1,100 cars. The hotel is expected to open in 2005.

■ Tax Increment Revitalization Zone #9 (TIRZ#9):

The County, City of San Antonio, University Health System, and ACCD are collaborating on the Houston Street Redevelopment Project. Located in the center of the downtown business district and encompassing approximately 0.9832 square miles, the TIRZ #9, which levies tax increment revenues to finance the Houston Street project, stretches from the southernmost point of Crockett Street, north to Martin Street, west to Soledad Street, and east to Alamo Street. As part of the \$100 million public/private partnership of the TIRZ #9, other downtown initiatives include: improvements to the Historic Civic Center area, public and private improvements on Crockett Street, and the construction of two new parking garages to include the Westin Hotel's parking garage.

■ Bond Elections:

Approximately every five years, San Antonio residents authorize a new capital improvement program for streets, drainage, flood control, parks, libraries, and public safety. In 1999, \$140.2 million was authorized for capital improvement projects which will begin in Fiscal Year 2000 and continue through 2004.

5. INFORMATION & TELECOMMUNICATIONS

The new economy demands increased attention to yet another aspect of infrastructure - communications. High-speed and broadband services are becoming a fundamental requirement for almost all businesses. These services are equally important for both Internet-based companies and those learning to use the Internet to enhance their traditional business and supply chain management. Recent initiatives include:

- Over 4,000 miles of fiber optic cable with 60 SONET-based interoffice fiber rings and more than 360 local loop rings.
- A total of twenty-five central local switching offices in the metropolitan area and a digital overlay network to provide Integrated Service Digital Network capabilities.
- A variety of wireless communication service providers to offer analog and digital services.
- Fiber routing designs to connect the San Antonio International Airport with City of San Antonio facilities located downtown will be part of the first functional component of the Metropolitan Area Network.
- The City of San Antonio will use a portion of CPS' fiber optic system for its new radio system.
- Future extensions of its networks will connect CPS to other governmental agencies, in addition to providing high-speed networking capabilities for the delivery of emerging energy products and services throughout our service area.
- Investment in expanding broadband capabilities continues to grow.

6. BUSINESS CLIMATE DEVELOPMENT

The business climate is vital to the retention, expansion and attraction of companies. This includes the quality with which regulatory processes are managed, including their complexity, consistency, and rationality. Business climate also includes tax levels; not so much how high taxes are, but the 'return on taxation,' what companies receive in exchange for their per capita taxes paid. Finally, business climate is about administrative access: do government authorities listen to businesses, is government customer-oriented, and responsive, just like any other competitive business? These factors of business climate development are areas for continuous improvement in any city, and San Antonio is no different. San Antonio has made progress and continues to seek new ways to discover and make improvements in the way they address and serve the business community. Part of our new economic strategy is to work directly with industry groups to proactively identify and understand their needs and the benefits returned to the community from improvements in public services.

■ UNIFIED DEVELOPMENT CODE (UDC):

City Council approved a new UDC recognizing that it was extremely dated and not well organized. These improvements will help conduct balanced development with neighborhood needs.



CITY OF SAN ANTONIO ONE-STOP BUSINESS DEVELOPMENT CENTER:

City Council has approved construction of a one-stop business development center to expeditiously serve companies or individuals seeking permitting, platting, building inspections, and business start-up assistance. The center is targeted for completion September 2002.

LAREDO/SAN ANTONIO CORRIDOR COALITION:

The newly formed Laredo/San Antonio Corridor Council is largely modeled after the longstanding Greater Austin/San Antonio Corridor Council. Mutual goals include workforce development, infrastructure improvement, and legislative agendas.

TRANSPORTATION AND LOGISTICS COLLABORATIVE STRATEGY:

Similar to the SATAI Network effort, the City recently convened community and regional stakeholders in the Logistics and Transportation industries to begin collaboration on issues such as Inland Port San Antonio and leveraging technology in these sectors.

BUSINESS INCENTIVES:

The City is pro-business and offers a very favorable tax phase-in incentive program for attracting and recruiting businesses to San Antonio. Revised tax phase-in guidelines were approved in March 2001. Tax incentives are offered to businesses in targeted industries based on job creation, investment and wages paid to employees. Other City of San Antonio incentives include low interest loan programs, business assistance, economic zones that provide state tax relief, Defense and Enterprise Zones, workforce training, and Foreign Trade Zone benefits, etc.

"The business climate is vital to the retention, expansion and attraction of companies...Part of our new economic strategy is to work directly with industry groups to proactively identify and understand their needs and the benefits returned to the community from improvements in public services."

IV. Community Economic Development Profile

A. PROFILE

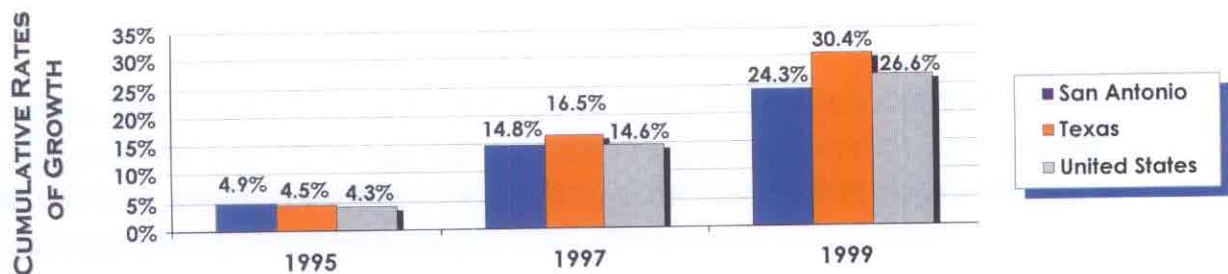
SAN ANTONIO IS THE EIGHTH LARGEST CITY IN THE UNITED STATES AND THE THIRD LARGEST CITY IN TEXAS. ACCORDING TO THE 2000 CENSUS, THE CITY'S POPULATION GREW BY AN ESTIMATED 208,000, A 22.3% INCREASE SINCE 1990. SAN ANTONIO'S 1.1 MILLION RESIDENTS LIVE WITHIN A GEOGRAPHIC AREA OF 429 SQUARE MILES. CITY JURISDICTION LIES WITHIN A FOUR COUNTY AREA KNOWN AS THE SAN ANTONIO METROPOLITAN STATISTICAL AREA (MSA), WHICH INCLUDES THE COUNTIES OF BEXAR, COMAL, WILSON, AND GUADALUPE.

POPULATION: POPULATION GROWTH TRENDS FOR THE SAN ANTONIO MSA ARE IN LINE WITH POPULATION TRENDS FOR THE STATE OF TEXAS, BOTH OF WHICH ARE EXPERIENCING FAR GREATER POPULATION GROWTH WHEN COMPARED TO THE UNITED STATES. ACCORDING TO 2000 U.S. CENSUS STATISTICS, APPROXIMATELY 42% TO 43% OF THE RESIDENTS OF THE SAN ANTONIO MSA ARE IN THE RANGE OF 21 YEARS TO 49 YEARS. APPROXIMATELY 33% OF THE RESIDENTS ARE UNDER 21 YEARS WHILE APPROXIMATELY 24% ARE OLDER THAN 49 YEARS. THE MEDIAN AGE OF THE SAN ANTONIO MSA RESIDENT IS 32.99 YEARS.

ECONOMIC INDICATORS:

1. PER CAPITA INCOME:

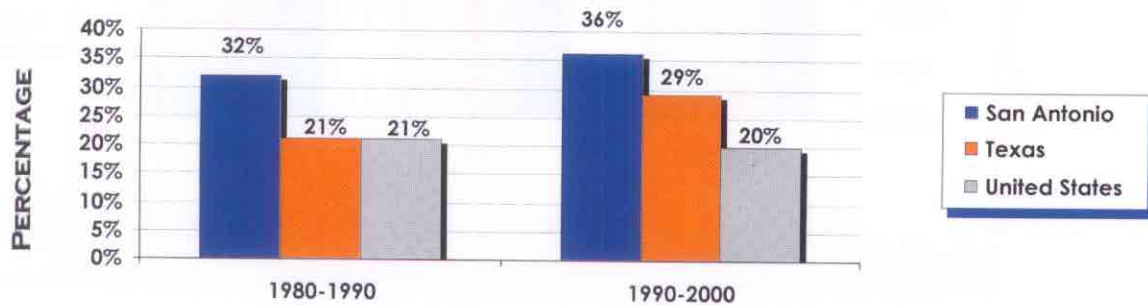
The income level for the San Antonio MSA has risen steadily during the 1990s. According to the Bureau of Economic Analysis (BEA), San Antonio's per capita personal income (PCPI) was \$24,716 in 1999. This is 87% of the national average, \$28,542. Between 1994 and 1999, San Antonio experienced a 24% cumulative growth rate, evidence of a vibrant economy. In 1999, San Antonio gained a percentage increase in the per capita income but grew at a slower pace than the national and state levels.



NOTE: BASE YEAR (1994) SOURCE: BUREAU OF ECONOMIC ANALYSIS

2. EMPLOYMENT AND JOB GROWTH:

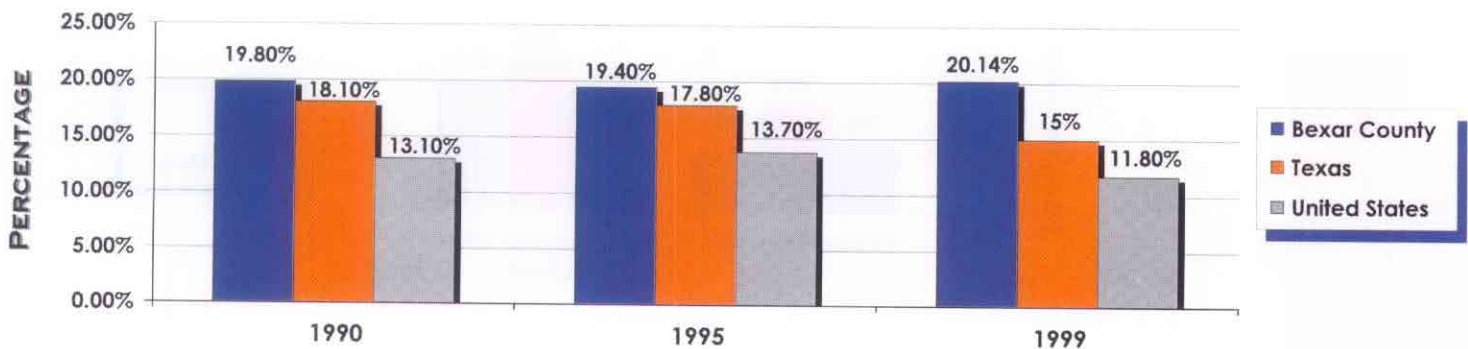
San Antonio has observed higher percentage employment growth levels compared to state and national rates. The 1990's saw an overall increase of 200,000 new jobs in San Antonio, constituting a 36% increase in employment, compared to an overall 32% increase in the 1980's. This increase amounts to an average annual job growth of 20,000 jobs.



SOURCE: BUREAU OF LABOR STATISTICS

3. POVERTY RATE:

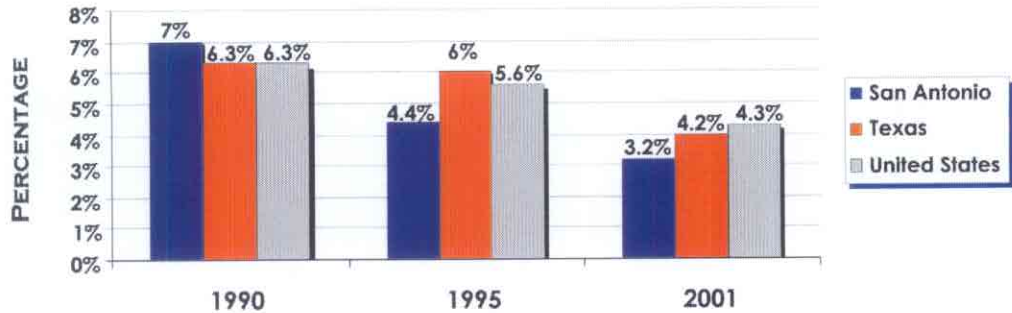
San Antonio's poverty rate declined only minimally from 19.8% in 1990 to 19.4% in 1995. According to a National Health and Human Services Department estimate, the poverty rate for 1999 is expected to increase to about 20.14%. Comparatively, the national poverty rate dropped to 11.8% in 1999. It is important to note that this is an approximation based on census estimates. As a result of a strong local economy, a low unemployment rate, and an increase in the per capita personal income level, the downward trend from 1995 may re-emerge as the 2000 Census figures are released in 2002.



SOURCE: 1990 CENSUS (EXCEPT FOR BEXAR COUNTY, WHICH IS BASED ON DEPT. OF HEALTH & HUMAN SERVICES ESTIMATES)

4. UNEMPLOYMENT RATE:

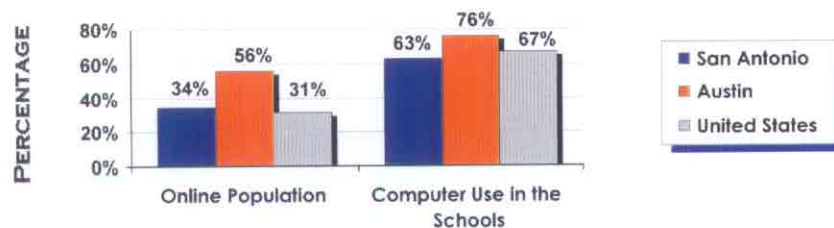
The unemployment rate has decreased over the past 10 years for the San Antonio MSA. As the chart shows, the overall unemployment rate has decreased significantly in the 1990's. San Antonio's unemployment rate has seen the largest percentage decline as compared to state and national levels, undergoing a sharp shift from 7% in 1990 to 3.2 % in 2001.



SOURCE: BUREAU OF LABOR STATISTICS

5. ONLINE POPULATION:

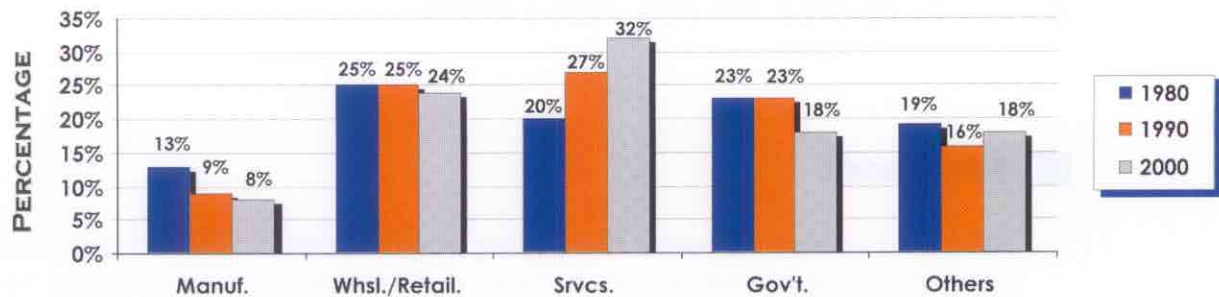
According to the New Economy index, which measures a set of "New Economy" indicators, San Antonio ranks 47th among the 50 largest metropolitan areas with respect to the percentage of the population with access to the Internet. Computers and the Internet should play a key role in improving education by having technology integrated into the classroom. While San Antonio lagged behind the city of Austin, its online population was still higher than the U.S. average of 31% in 1999. Also, the American Electronics Association (AeA) rated San Antonio as one of the top 20 high-tech job growth Cybercities in the nation in 1999.



SOURCE: PROGRESSIVE POLICY INSTITUTE (PPI)/METROPOLITAN NEW ECONOMY INDEX REPORT, APRIL 2001.

6. EMPLOYMENT BY SECTOR:

The city's largest employment sectors are Services, Retail & Wholesale Trade, and Government, which comprise 75% of the area's employment. The Services sector posted the greatest gain in sheer numbers. The Finance, Insurance and Real Estate sector posted the greatest gain in terms of percentage growth. San Antonio's economy is diversifying, as is demonstrated by decreased reliance on the dominant sector, government. The emergence of sectors, such as Services, Wholesale/Retail, and Finance, reflect a favorable trend of diversification. Manufacturing has declined from 13% in 1980, to 8% in 2000. In spite of the area's overall decline in the manufacturing sector, San Antonio's merchandise export sales to the world have actually increased from \$563.93 million in 1993 to \$1.64 billion in 1998 (U.S. International Trade Administration). This increase of over 191% in just five years is a healthy sign of San Antonio's increasing international trade role.



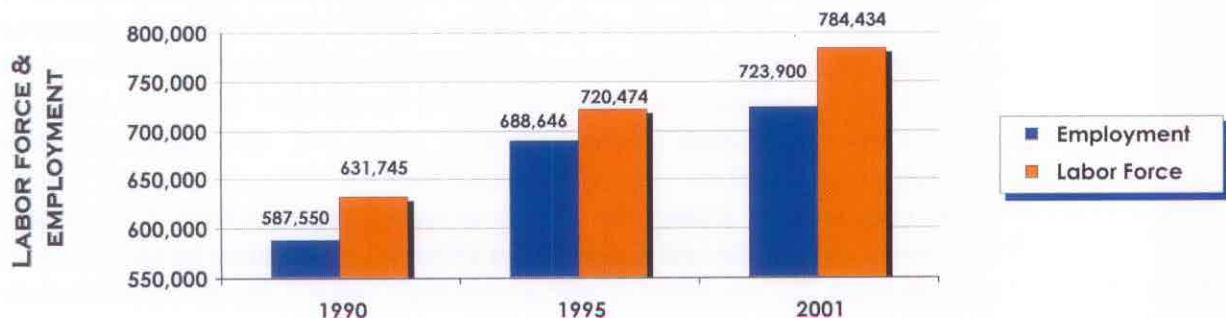
Note: "Others" include Mining, Construction, Transportation and Finance/Insurance

Services Sector includes: Engineering & Management, Health, Legal, Educational, Personal Business, Private, Business, Social, Visitor, Industry, and Auto Repair

SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

7. LABOR FORCE & EMPLOYMENT:

The total number of Non-Farm employment was 723,900 in January 2001, a gain of 21,700 jobs over January 2000. As shown, labor force and employment have risen in a complementary manner during the 1990's. In 1990 employment consisted of 93% of the total labor force, 1995 had a slight increase to 95%, 2000 saw the highest increase to 97%. San Antonio's employment increased by 32% in the 1980s and 36% in the 1990's consisting of 193,900 and 127,900 new jobs respectively. San Antonio's workforce is diverse; the primary employment sectors include health care services, wholesale and retail activities, government, tourism, aviation maintenance and repair, manufacturing and a strong core of small business enterprises.



SOURCE: BUREAU OF LABOR STATISTICS

8. CITY OF SAN ANTONIO FINANCIAL STATUS:

As a community, San Antonio has positioned itself for long-term growth and prosperity by successfully following a strategy to diversify its economy and improve quality-of-life for all citizens. City government has been integral in these efforts. Not only has San Antonio's property tax rate not seen an increase in eight consecutive years, the City has also earned an S&P and Fitch AA+ bond rating for its municipal bonds.

9. TARGETED DRIVER INDUSTRIES:

BIOSCIENCES:

San Antonio's research institutions have a strong array of expertise in basic and applied research in cancer therapy, dental medicine, instrumentation, pharmacology and specialized medical treatments. Some of the major institutions in this cluster include: the University of Texas Health Science Center, Brooks Air Force Base, Southwest Research Institute, Texas Research Park, Southwest Foundation of Biomedical Research, Cancer Therapy and Research Center, U.S. Army Institute of Surgical Research, as well as a number of academic institutions and private sector biotech enterprises.

AEROSPACE/AVIATION:

This industry is an emerging cluster with the presence of major aviation companies such as Boeing, Lockheed, Pratt & Whitney, Dee Howard, Fairchild and Cessna. This industry presents significant opportunities for diversification and continued growth, particularly in the areas of passenger service, air cargo, maintenance, repair and overhaul (MRO), and general aviation.

TELECOMMUNICATIONS:

San Antonio's telecommunications cluster is comprised of seven distinct producer segments for services and equipment. These include: corporate headquarters, call centers, product development, system integration, communications semiconductors, satellite link, bandwidth and telecommunications equipment. The corporate headquarters of the Southwestern Bell Corporation (SBC) and a number of large call centers dominate this cluster. San Antonio has attracted several call centers due to its advanced telecommunications network, competitive labor and real estate costs, as well as its significant bilingual workforce. The city is also experiencing a healthy rate of growth in telecommunications equipment. In addition, the focus is on encouraging innovations in technology for both telecommunication services and equipment that will lead to the attraction, formation, and retention of new enterprises. The recruitment of telecommunications research and development activities is also essential to high performance growth.



■ INFORMATION TECHNOLOGY:

San Antonio's information technology cluster is comprised of four major producer segments: (1) software and hardware for information security; systems development and integration; (2) software engineering; (3) communications and (4) E-Commerce. This cluster includes a broad array of products and services that are developed to various degrees of sophistication and specialization. This cluster is dynamic and will change rapidly as new enterprises are formed, asserting a greater economic role in the region. The challenge for San Antonio is to develop a strong competitive niche (such as information security) and create specialized advantages that will keep companies and their suppliers within that niche and in San Antonio over a long term. The Air Intelligence Agency (AIA) housed at Lackland AFB, is the Department of Defense Center of Excellence for Information Security, is one example.

■ LOGISTICS AND TRANSPORTATION:

This cluster includes transportation services, wholesale trade and third party logistics providers, logistical intermediaries, and transportation infrastructure assets. Development of San Antonio's cluster of logistics and transportation industries holds the key to establishing San Antonio as an inland port, which may fully capitalize on potential trade with Mexico, under the North American Free Trade Agreement (NAFTA), creating an international trade processing center. NAFTA has given San Antonio a competitive advantage. San Antonio is at the nexus of incoming truck traffic from Mexico to the rest of North America and has the opportunity to add value before goods reach their destinations. While international trade growth in San Antonio has been healthy, it has not kept pace with regional competitors in Texas and beyond.

■ VISITOR-RELATED BUSINESS:

6.5 million tourists visit San Antonio each year. Attractions such as the Paseo Del Rio (Riverwalk), the Alamo, La Villita (little old San Antonio), El Mercado (the Market Place), SeaWorld of San Antonio, and Fiesta Texas (a Six Flags theme park) keep San Antonio on the list of most requested tourist destinations in the United States. This sector will continue to be a strong economic generator for the community, and as such, will remain a key element of any future economic development efforts. The City intends to leverage tourism to help promote growth in the targeted industries.

"Each industry must be supported by a solid economic foundation composed of technology and innovation, human capital, financial resources, physical infrastructure and a vibrant entrepreneurial environment."

B. ADVANTAGES

SAN ANTONIO TRULY PROVIDES AN EXCELLENT BUSINESS CLIMATE AND AN ENVIABLE QUALITY OF LIFE. THE STRENGTHS OF THE ECONOMY OFFER AN OPPORTUNITY TO PROVIDE COMPARATIVE ADVANTAGES TO SUPPORT THE LOCAL ECONOMIC DEVELOPMENT STRATEGY. SAN ANTONIO'S ECONOMIC STRENGTHS INCLUDE:

STRONG QUALITY OF LIFE
STRATEGIC GEOGRAPHIC LOCATION
ESTABLISHED PHYSICAL INFRASTRUCTURE
QUALITY EDUCATION AND RESEARCH INSTITUTIONS

STRONG QUALITY OF LIFE

San Antonio is a unique city with deeply rooted traditions and a 21st century cosmopolitan flair. Our distinct local character provides a strong quality of life that anchors successful community economic development. Our climate, open spaces, housing options, low cost of living, recreational opportunities and cultural diversity make San Antonio an extremely attractive place to live, work, and play.

Influenced by many cultures, San Antonio has all the amenities of an urban area. Outdoor activities offered range from the Texas Hill Country to the north, Big Bend National Park to the west and the Gulf Coast beaches to the south. San Antonio boasts a nationally acclaimed symphony, major art & cultural museums, touring companies, and a variety of spectator sports, the San Antonio Spurs National Basketball Association (NBA) Team, the San Antonio Iguanas (Central Hockey League), the San Antonio Missions (Texas League Baseball Team), and the Texas Open and the Senior PGA Tour, as well as parks and recreational services. The Paseo del Rio which is also known as the "River Walk," is considered a contemporary streetscaping masterpiece.

STRATEGIC GEOGRAPHIC LOCATION

As illustrated in the map below, San Antonio is strategically located in the southern-center of the United States, and its proximity to all of Mexico, makes it a well positioned transshipment point and an international trade distribution hub.

Our unique location includes our position approximately 1,400 miles from Los Angeles, Baltimore, Philadelphia, and Detroit, and 300-mile distance from Monterrey, Mexico. We are a crossroads for major railroads and interstate highways connected to the Mexican transportation system, with direct access to seaports of Corpus Christi, Houston, and Long Beach. San Antonio's close proximity to Austin, Texas also offers opportunities for economic synergy.



ESTABLISHED PHYSICAL INFRASTRUCTURE

One of the leading factors that attracts and sustains businesses in a community is the quality of its physical infrastructure. This is increasingly true in an era when operating costs and the ability to rapidly move goods and services are crucial to remaining competitive. San Antonio has been involved in the planning and development of its regional infrastructure and continues to pursue future improvements. The City has an extensive public and private infrastructure that includes: five military bases, extensive water and power systems, well developed streets and highways that comprise 12,875 paved lane miles; three aviation facilities, a vibrant Downtown area consisting of the Riverwalk, Convention Center, and the Alamodome, and a new professional sports arena is under construction. Contributing to the strengths of the city's infrastructure are the municipally-owned utilities consisting of the San Antonio Water System and City Public Service. These are just a few components of San Antonio's well-developed infrastructure.

CITY STREETS:

State-of-the-art technology is being used to improve traffic flow and decrease traffic congestion in major thoroughfares through the leveraging of funds between the City and the Metropolitan Planning Organization (MPO).

HIGHWAYS:

Transguide System High Tech Freeway Surveillance System - The Texas Department of Transportation (TxDOT) has established a computerized highway information system known as Transguide System. The cooperation and planning between the City, Metropolitan Planning Organization (MPO) and TxDOT has been cited as a model for other urban areas.

RAILROADS:

The Union Pacific Railroad provides rail service to San Antonio from cities throughout the U.S. and cities along the U.S.-Mexico border. Cities such as Chicago, St. Louis, Houston, Laredo, Brownsville, Los Angeles and Seattle are just a few accessible by rail.

AVIATION:

San Antonio has three aviation facilities that include the San Antonio International Airport, **Stinson Municipal Airport**, and **KellyUSA**, two of which are capable of providing passenger and air cargo service to points throughout North America and the world. The facilities are strategically located within a 15-minute drive from the downtown central business district. San Antonio International Airport provides passenger and air cargo services, including a 1.16 million total square-foot operating facility that handles airline belly freight and air cargo freight operations. Stinson Municipal Airport is the designated reliever of the international airport for general aviation. KellyUSA, formerly Kelly Air Force Base, is currently transforming to an air cargo facility that is a multi-faceted, commercial industrial/business complex run by the Greater Kelly Development Authority. Kelly's many advantages are its strategic location, rail service, runway accessibility, close proximity to other aviation facilities, direct access to shipping ports, 4 million square feet of warehouse storage, and manufacturing space.

CONNECTIONS TO SEA PORTS:

Through the use of the extensive interstate highway and rail networks serving San Antonio, virtually any sea port in the United States and Mexico can be accessed via San Antonio. Ports in cities such as Corpus Christi, Houston, New Orleans, Long Beach, and Seattle can help shipments from San Antonio reach any destination in the world.

PUBLIC TRANSPORTATION:

VIA Metropolitan Transit is funded through a one-half cent sales tax, fare box revenues and federal funds. VIA operates an extensive route network and fleet of buses that service the San Antonio metropolitan area. There are eight Park & Ride facilities around the city and numerous vehicles equipped for elderly and disabled persons. In addition, replicas of turn-of-the-century streetcars serve the central business district.

UTILITIES

WATER:

Ensuring the City's future water supply is vital to economic development because neither industry nor communities can grow if their sources of water supply are not secure. San Antonio's primary water supply is ground water from the Edwards Aquifer and is operated by the San Antonio Water System and the Bexar Metropolitan Water System. Recent community efforts have focused on a number of short and long-term water protection initiatives that will ensure a healthy and plentiful water supply for the next 50 years.



GAS/ELECTRIC:

Planning and developing future power for a region has become a crucial factor in stabilizing industrial productivity and attracting new enterprises. City Public Service provides a stable energy supply and pricing structure through the implementation of a comprehensive strategic plan. CPS offers some of the lowest rates in the country for industrial and residential users.

TELEPHONE:

San Antonio is the headquarters for Southwestern Bell Corporation (SBC) and has experienced considerable improvement in the supply of fiber optic telecommunications infrastructure. The City is an advocate for greater development and provides permits for multiple vendors laying fiber and developing new high speed switching hubs and computer file-server 'hotels' in the city. SBC provides a state-of-the-art communications infrastructure including fiber optics, Integrated Service Digital Network (ISDN) capabilities, and Advanced Intelligent Network (AIN) technology. These technologies meet the voice, data and video requirements of today and the future.

CABLE SERVICE:

Time Warner Cable is the primary provider of cable service in the metropolitan area. Other providers include Grande Communications and Western Integrated Networks (WIN).

QUALITY EDUCATION AND RESEARCH INSTITUTIONS

EDUCATION:

The city boasts six universities, four colleges, over 70 private schools and a public school system comprising independent school districts. Within the public school system, 16 innovative "magnet" schools have been established to offer specialized education in the fields of business, health care, science, engineering, law, communications and the fine arts, international studies, and aerospace.

San Antonio's universities have been recognized nationally. U.S. News and World Report has ranked Trinity University first in quality for seven consecutive years among western regional universities. In 2001, U.S. News and World Report also ranked St. Mary's University 12th for overall quality and 5th for best value. St. Mary's also made Hispanic Magazine's "Guide to the Top 25 Colleges and Universities for Hispanics." St. Mary's is ranked 19th and the only other Texas schools ranked higher are University of Texas at Austin, University of Texas El Paso, and Texas A&M University.

The University of Texas Health Science Center's (UTHSC) dental school has been ranked number one in the nation in the U.S. News and World Report. UTHSC is located on a 100-acre campus within the South Texas Medical Center complex. The Health Science Center is the leading biomedical institution in the University of Texas system.

RESEARCH INSTITUTIONS:

Several distinguished centers of research, medicine, and high-technology operations are based in San Antonio. Highly educated professionals conduct a variety of contractual research, military medical training, high-technology manufacturing, and development activities at operations throughout the community. Such activities occur at the following institutions: Southwest Foundation for Biomedical Research, Southwest Research Institute (SWRI), Texas Research Park Foundation (TRPF), Brooks Air Force Base, The Human Systems Program Office, Air Force Center for Environmental Excellence, USAF School of Aerospace Medicine, Cancer Therapy and Research Center (CTRC), Brooke Army Medical Center (BAMC), U.S. Army Institute of Surgical Research, U.S. Army Medical Department Center and School, USAF Wilford Hall Medical Center, ILEX Oncology, Inc., OsteoBiologics, Lipitek International, Sony Semiconductor Company of America, and Philips Semiconductor of San Antonio.

V. Summary

As evidenced by the numerous initiatives and projects underway, the San Antonio region is committed to continuous improvement and will actively seek new opportunities and partnerships to accelerate progress towards San Antonio's enhanced economy. The region must also continue to support collaborative networks that help define and address industry needs. The City will serve as both a catalyst and partner in identifying new sources of comparative advantage and leveraging existing ones.

Capitalizing on San Antonio's economic advantages will attract compatible new investment from existing and incoming companies. Investments by these firms in hiring and training personnel, research and development, capital, and philanthropy, will in turn continue to enhance the strength and quality of San Antonio's economy. Given the current stability of the local economy, any benefits of an enhanced economic development that will be realized by public and private sector organizations are dependent on how effectively the community develops its existing and future workforce to meet new demands. For this reason, enriching workforce development is a central theme of the Economic Development Strategic Plan.

Furthermore, infrastructure planning and processes developed in recent years have revolutionized the way we do business; consequently, new collaborative mechanisms have arisen in response to these global changes. The community is learning more about industry needs and how to build links between the suppliers of important inputs, and those who produce and export products from the San Antonio region. Likewise, San Antonio's economic development strategy will continuously adapt to support this process. As we add to our knowledge base and act on new and evolving principles of economic development and competitiveness, institutions and stakeholders, like yourself, will be increasingly asked to collaborate as partners in shaping the region's new economy.

The time is ripe for San Antonio to harness its economic fate and forge strategic partnerships that will make the city's dream of prosperity for the future a reality. At the core of the Strategic Plan for Enhanced Economic Development exists a fundamental truth: to attain the economic future desired for San Antonio, both public and private stakeholders must become leaders in collaborative innovation. This process of partnering has begun through programs such as the Better Jobs Initiative, the Community Revitalization Action Group, as well as a host of other projects. **San Antonio, Inc. strives to incorporate the products of these model partnerships and build upon their momentum, moving San Antonio ever closer to the fulfillment of its goals.**

SPECIAL THANKS TO SAN ANTONIO COMMUNITY STAKEHOLDERS

WE WOULD LIKE TO EXPRESS OUR GRATITUDE TO THE SAN ANTONIO ECONOMIC DEVELOPMENT COORDINATING COUNCIL EXECUTIVE COMMITTEE FOR ITS ACTIVE AND SUPPORTIVE ROLE DURING THE DEVELOPMENT PHASE OF THE STRATEGIC PLAN FOR ENHANCED ECONOMIC DEVELOPMENT.

Mario Hernandez, SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION
 Rita Elizondo, SAN ANTONIO HISPANIC CHAMBER OF COMMERCE
 Robert McKinley, UNIVERSITY OF TEXAS AT SAN ANTONIO - SOUTH WEST TEXAS BORDER
 George Geis, URBAN DEVELOPER
 Joe Krier, SAN ANTONIO GREATER CHAMBER OF COMMERCE
 Ramiro Cavazos, CITY OF SAN ANTONIO - ECONOMIC DEVELOPMENT DEPARTMENT
 Manuel Longoria Jr., CITY OF SAN ANTONIO - ECONOMIC DEVELOPMENT DEPARTMENT

THIS PROJECT COULD NOT HAVE BEEN POSSIBLE WITHOUT THE COLLABORATIVE EFFORTS OF COMMUNITY-WIDE ORGANIZATIONS AND THE INDIVIDUALS WHO WORK SO DILIGENTLY TO PROVIDE VALUABLE ASSISTANCE.

THESE ARE BUT A FEW OF THOSE REPRESENTATIVES WHO HAVE GIVEN OF THEIR TIME AND RESOURCES TO MAKE THIS PLAN A TRUE SUCCESS.

Dr. Louis J. Agnese, UNIVERSITY OF THE INCARNATE WORD
 Walter Ague, HEMISPHERE INSTITUTE FOR PUBLIC SERVICE
 Dr. Lex Akers, UNIVERSITY OF TEXAS AT SAN ANTONIO
 Wayne Alexander, SBC
 Ken Allen, HEB DISTRIBUTION CENTER
 Dr. Pete Anthony, SOUTHWEST ISD
 Steve Atkins, CENTER FOR THE PERSUASIVE ARTS
 Edmund Balderas, BARNES CUSTOMS BROKERS
 Jack Baldwin, SERVICE CORPS OF RETIRED EXECUTIVES
 W. Bradley Barnes, COX & SMITH
 Rob Barnett, UNIVERSITY OF THE INCARNATE WORD
 Janie Barrera, ACCION TEXAS
 Doug Beach, IMAX THEATRE
 Lee Beaumont, STANDARD AERO
 Edward Bergin, LOCKHEED MARTIN
 Dennis Blythe, ALAMO WORKFORCE DEVELOPMENT
 Bob Bomer, BOMER OLDSMOBILE
 Ronald L. Branstetter, COLIN MEDICAL INSTRUMENTS CORP.
 Dr. John Brazil, TRINITY UNIVERSITY
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 Rafael Brista, ST. PHILLIP'S COLLEGE
 Ernest Bromley, BROMLEY COMMUNICATIONS
 Paul Bunzenhdahl, PALO ALTO COLLEGE
 Ross Burnett, YELLOW FREIGHT SYSTEMS
 Dr. Richard Butler, TRINITY UNIVERSITY
 Corie Caldarola, CONCEPTUAL MINDWORKS, INC.
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 David Campbell, HEARTLAND ENTERPRISES
 Gary Candy, AMNITEK LTD.
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 Narciso Cano, DCCI INTERNET SERVICES
 Hector Cardenas, ALTAVISTA NEIGHBORHOOD ASSOCIATION
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 John E. Casanova, SOMERSET ISD

Rene Chapoy, UNITED PARCEL SERVICE
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 Dr. Francisco G. Cigarroa, UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER
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 Dr. David Cohen, BROOKE ARMY MEDICAL CENTER
 Ximena Copa-Wiggins, TEXAS DEPARTMENT OF TRANSPORTATION
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 Bob Davidson, DAVIDSON COMMUNICATIONS
 George Dawson, GROWING YOUR BUSINESS
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 Duane Eitenmiller, CONSOLIDATED FREIGHTWAYS
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Jim Ferguson, CHROMALLOY GAS TURBINE CORPORATION
 R. Fessler, HALLMARK INSTITUTE OF AERONAUTICS
 Lewis Fisher, MAVERICK PUBLISHING
 Dr. Donald G. Fraser, CAREER NOVATIONS
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 Edmundo Garcia, UNITED PARCEL SERVICE
 David Garza, ENTERPRISE FOUNDATION
 George Geis, SAN ANTONIO ECONOMIC DEVELOPMENT COORDINATING COUNCIL
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Benjamin Sumpter, SOUTH CENTRAL TEXAS REGIONAL CERTIFICATION AGENCY
Lee Sutterfield, SECURELOGIX CORPORATION
Dr. Miroslav Synek
Kelly D. Tate, ILEX ONCOLOGY
Cindy Taylor, SOUTH SAN ANTONIO CHAMBER OF COMMERCE
Thomas Turner, MISSION TECHNOLOGIES, INC.
Dr. Jude Valdez, UNIVERSITY OF TEXAS AT SAN ANTONIO
Cesar Valenzuela, FEDERAL EXPRESS
Robert Velasquez, SOUTHWEST TRADE ADJUSTMENT ASSISTANCE
Gary Villani, AMERICAN AIRLINES
S. Joyce Vincent, UNIVERSITY OF TEXAS AT SAN ANTONIO
Steven Walder
Geary W. Wallace, LOCKHEED
Neill B. Walsdorf, Sr., MISSION PHARMACY COMPANY
Denny Ware, KINETIC CONCEPTS
Ed White, ALAMO CITY CHAMBER

Stephen E. Whitesell, SAN ANTONIO MISSIONS NATIONAL HISTORICAL PARK
Doug Williams, BISHOP ASSOCIATES
Timothy J. Williamson, ILEX ONCOLOGY
Kenny Wilson, BANK OF AMERICA
Duane Wilson, NORTH SAN ANTONIO CHAMBER OF COMMERCE
Nelson Wolff, BEXAR COUNTY JUDGE
Richard A. Woodfield, DEXTERITY SURGICAL, INC.
Morrison Woods, UNIVERSITY OF TEXAS AT SAN ANTONIO
Bartell Zachry, Jr., H.B. ZACHRY
John Zachry, Jr., H.B. ZACHRY
Robert C. Zamora, SOUTH SAN ANTONIO ISD
Dr. Federico Zaragoza, ST. PHILIPS COLLEGE
Dr. Michael Zolkoski, JUDSON ISD
Leo Zuniga, ALAMO COMMUNITY COLLEGE DISTRICT

**SPECIAL THANKS TO MAYOR HOWARD W. PEAK'S COMMUNITY COLLABORATION
LEADERSHIP TEAM (WORKING TOGETHER STEERING COMMITTEE MAY 1998)**

Ron Aaron, JEWISH FAMILY SERVICES
Jesse Bielfield, AFL-CIO LABOR COUNCIL
Marianna Bourque, WEST SIDE CHAMBER OF COMMERCE
Bonnie Conner, COUNCILWOMAN, DISTRICT 8
JoAnne Dawson, NORTH SAN ANTONIO CHAMBER OF COMMERCE
Dominick Dina, NW NEIGHBORHOOD ALLIANCE
Sandra L. Dworaczyk, SAN ANTONIO WOMEN'S CHAMBER OF COMMERCE
Tertia Emerson, NEIGHBORHOOD RESOURCE CENTER
Ermani Falcon, NEIGHBORHOOD ALLIANCE
Geri Felios, MEXICAN AMERICAN UNITY COUNCIL
George Geis, REDEVELOPER
Barbara Gentry, GREATER SAN ANTONIO CHAMBER OF COMMERCE
Dan Grogan, RANDOLPH CHAMBER OF COMMERCE
Heberto Gutierrez, SAN ANTONIO HISPANIC CHAMBER OF COMMERCE
Ray Hamilton, NORTH SIDE NEIGHBORHOODS ORGANIZED FOR DEVELOPMENT
Evelyn Harrison, ALAMO CITY CHAMBER OF COMMERCE
Rev. Leroy Hayes, EAST SIDE BAPTIST MINISTERS' UNION
Wray Hood, COLISEUM PARK/WILLOW PARK NEIGHBORHOOD ASSOCIATION
John Howe, UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER
Jack Jordan, BEXAR COUNTY COUNCIL OF SUPERINTENDENTS
Patrick C. Mullaney, RANDOLPH AFB
Howard Nolan, UNITED WAY OF SAN ANTONIO
Paula D. Piper, SAN ANTONIO CONSERVATION SOCIETY
Shelley Potter, SAN ANTONIO FEDERATION OF TEACHERS
Tracy Pryor, AFRICAN-AMERICAN CHAMBER OF COMMERCE
Bill Rasco, GREATER SAN ANTONIO HOSPITAL COALITION
Leo Rohmgren, HIGHLAND HILLS NEIGHBORHOOD ASSOCIATION
Bob Sanchez, SOUTH SAN ANTONIO CHAMBER OF COMMERCE
Tom Stephenson, SAN ANTONIO EXPRESS-NEWS
Kenneth Thompson, SAN ANTONIO COMMUNITY OF CHURCHES
Rita Thompson, AFRICAN-AMERICAN CHAMBER OF COMMERCE
Dr. Jude Valdez, WEST SIDE CHAMBER OF COMMERCE
Nickie Valdez, ALAMO WORKFORCE DEVELOPMENT COUNCIL
Nancy Vera, TEXAS STATE TEACHERS ASSOCIATION
Ernie Villarreal, TEXAS PUBLIC RADIO-KSTX
Duane Wilson, SAN ANTONIO COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT
JoAnn Winik, KLRN
Linda Ximenes, LINDA XIMENES & ASSOCIATES

CITY COUNCIL (2001-)

Edward D. Garza, Mayor

Bobby Perez, DISTRICT 1

John H. Sanders, DISTRICT 2

Antionette Moorhouse, DISTRICT 3

Enrique Martin, DISTRICT 4

David A. Garcia, DISTRICT 5

Enrique M. Barrera, DISTRICT 6

Julian Castro, DISTRICT 7

Bonnie J. Conner, DISTRICT 8

Carroll W. Schubert, DISTRICT 9

David Carpenter, DISTRICT 10

CITY COUNCIL (1999-2001)

Howard W. Peak, Mayor

Bobby Perez, DISTRICT 1

Mario M. Salas, DISTRICT 2

Debra Guerrero, DISTRICT 3

Raul Prado, DISTRICT 4

David A. Garcia, DISTRICT 5

Enrique M. Barrera, DISTRICT 6

Edward D. Garza, DISTRICT 7

Bonnie J. Conner, DISTRICT 8

Tim Bannwolf, DISTRICT 9

David Carpenter, DISTRICT 10

CITY MANAGER

Terry M. Brechtel

EXECUTIVE TEAM

J. Rolando Bono, DEPUTY CITY MANAGER

Travis M. Bishop, ASSISTANT CITY MANAGER

Christopher J. Brady, ASSISTANT CITY MANAGER

Melissa Byrne Vossmer, ASSISTANT CITY MANAGER

Frances A. Gonzalez, ASSISTANT TO THE CITY MANAGER

Roland A. Lozano, ASSISTANT TO THE CITY MANAGER

Erik J. Walsh, ASSISTANT TO THE CITY MANAGER



SPECIAL THANKS TO THE ECONOMIC DEVELOPMENT DEPARTMENT STAFF

MANAGEMENT TEAM:

Ramiro Cavazos, DIRECTOR
Manuel Longoria, Jr., ASSISTANT DIRECTOR
Trey Jacobson, ASSISTANT DIRECTOR
Margaret W. Anaglia, MANAGER, INDUSTRY DEVELOPMENT
Virginia Cobarrubias, MANAGER, OPERATIONS
Ed Davis, MANAGER, INDUSTRY DEVELOPMENT
Trini Lara, COORDINATOR, FIRST POINT BUSINESS OFFICE
Grace Luna, MANAGER, SMALL BUSINESS OUTREACH

EDD STAFF:

Robert Ayala, ECONOMIC DEVELOPMENT LOAN OFFICER
Hope Barrera, ADMINISTRATIVE AIDE
Stephen Colunga, ECONOMIC DEVELOPMENT LOAN OFFICER
Ruben Davila, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
Carmelina Rocha-Davis, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
Linda Dicks, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
Jo Ann Garcia, SECRETARY II
Delia Gaitan, SENIOR ADMINISTRATIVE ASSISTANT
Albert Garza, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
Courtney McClure, ECONOMIC DEVELOPMENT SPECIALIST
Rosalinda McDowell, EXECUTIVE SECRETARY
Rachel Martinez, ADMINISTRATIVE ASSISTANT I

Mike Mendoza, SENIOR ECONOMIC DEVELOPMENT LOAN OFFICER
Connie Muñoz, FISCAL OFFICER
Sha-Rone Reyes, MANAGEMENT ANALYST
Angela Rivera, ECONOMIC DEVELOPMENT SPECIALIST
Nancy Sheppard, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
John Steinbauer, ECONOMIC DEVELOPMENT COORDINATOR
Andrea Smith, SECRETARY II
Pat Tovar, ECONOMIC DEVELOPMENT SPECIALIST
Albert Vela, SENIOR ECONOMIC DEVELOPMENT SPECIALIST
Hugo Villarreal, ECONOMIC DEVELOPMENT SPECIALIST
Jim Weaver, ECONOMIC DEVELOPMENT LOAN OFFICER
Charlie Wilburn, ADMINISTRATIVE ASSISTANT I

STRATEGIC PLAN WORKING GROUP

Margaret W. Anaglia
Ramiro Cavazos
Jorge Crespín
Ed Davis
Trey Jacobson
Alison Lands
Manuel Longoria, Jr
Jacqueline Martínez

STRATEGIC PLAN GLOSSARY

BOND RATINGS:

Evaluations administered by respected independent agencies which denote the economic strength and efficiency of an organization's financial management practices.

CITY FISCAL YEAR (FY):

Denotes the term of the City of San Antonio financial accounting cycle, which begins October 1st of any given year and continues through September 30th of the following year.

COMPARATIVE ADVANTAGE:

The ability to produce a good or service with a lower opportunity cost per unit than other producers.

COMPETITIVE ADVANTAGE

Delivering a product at lower cost or offering unique benefits to buyers of a product that justify a premium price.

DEFENSE ZONE:

Also known as a Defense Economic Readjustment Zone, the Zone is operated through a state program that offers incentives to companies locating their businesses in areas adversely affected by defense downsizing, and/or military base closure/realignment.

DIGITAL DIVIDE:

The difference in familiarity, knowledge, and acquired skills between those who have immediate or frequent access to technological innovation, products, and services and those who do not.

E-COMMERCE:

The practice of marketing and selling products online and receiving payments electronically.

ENTERPRISE ZONE:

A state program that offers incentives to companies expanding or locating their businesses in economically distressed areas of the community.

FEDERAL ENTERPRISE COMMUNITY:

The purpose of Empowerment Zones and Enterprise Communities is to create jobs and business opportunities in the most economically distressed areas of inner cities and the rural heartland.

FOREIGN TRADE ZONE:

A specifically defined site within the United States, located in or near a U.S. Customs port of entry, where foreign and domestic merchandise is considered "international commerce," exempt from U.S. Customs Territory regulations.

HIGH PERFORMANCE ECONOMY:

An economy that builds on local business, labor, and infrastructure assets, while simultaneously advancing their quality in order to assure the region's long-term competitiveness.

HUBZONE:

A HUBZone, or "historically underutilized business zone," is identified by the Federal government according to geographic and economic (i.e., unemployment and income) criteria. HUBZone status allows qualified businesses to apply for Federal assistance.

INFILL DEVELOPMENT:

New construction activity occurring on vacant parcels of land located within an area which is predominantly developed.

LOGISTICS & TRANSPORTATION:

An industry sector involving businesses which specialize in materials handling and movement systems capabilities.

MAQUILA OPERATIONS:

The program entitles a company up to 100% foreign investment participation in the capital and/or management of a *maquiladora* without any special authorization, in addition to, special customs treatment, allowing duty-free temporary import of capital.

MAQUILADORA:

A Mexican Corporation which operates under a *maquila* program approved by the Mexican Secretariat of Commerce and Industrial Development (SECOFI).

NEW ECONOMY:

A global knowledge and idea based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy.

PER CAPITA PERSONAL INCOME:

The amount of income received by each member of a given population after paying social insurance taxes but before paying personal income taxes. This estimate includes wages, rents, dividends, interest and proprietary income.

PORT OF ENTRY:

Denotes an approved site for Custom processing of people and/or products arriving in the U.S. from foreign areas.

POVERTY RATE:

The percentage of individuals in a given area earning income levels below the established poverty line.

PUBLIC-PRIVATE PARTNERSHIP:

A mutually beneficial public sector-to-private sector relationship that enhances the capabilities of both parties.

REAL PROPERTY:

Land or property and any improvements thereto.

SBA GUARANTEED LOAN PROGRAM :

A loan made and serviced by a lending institution under agreement that a governmental agency will purchase the guaranteed portion if the borrower defaults.

SEED CAPITAL:

Refers to the money needed to start or expand a business.

STAKEHOLDER:

One who maintains either direct or indirect interest in the success or failure of a strategic undertaking.

TARGET 90/GOALS :

This city-wide organization was designed to bring together diverse civic constituencies to carry-out the goals developed by the Target 90 Commission (1982-1984) and United San Antonio (1977-1984).

TARGETED DRIVER INDUSTRIES :

The chief industries that demonstrate the potential for producing or expanding high-wage job opportunities; to diversify and lead to growth of the local economy and provide the most effective support for the City's tax base.

UNEMPLOYMENT RATE :

The estimated ratio of the number of people unemployed to the total number of people actively participating in the labor force.

UNIFIED DEVELOPMENT CODE :

The Unified Development Codes (UDC) is that portion of the Municipal Code that governs zoning, platting and growth management for the City and its Extraterritorial Jurisdiction (ETJ).

VALUE-ADDED :

The difference between the value of goods as they leave a stage of production and the cost of those goods as they entered that stage.

VENTURE CAPITAL:

Money used to support new or speculative commercial undertakings. This funding is provided to new or existing firms that exhibit above-average growth rates, a significant potential for market expansion and the need for additional financing.

AN ORDINANCE

94001

**ESTABLISHING A NEW ECONOMIC DEVELOPMENT
COORDINATION ORGANIZATION NAMED SAN ANTONIO,
INC.**

* * * * *

WHEREAS, the City of San Antonio desires to attract economic development to benefit the citizens and businesses within the community; and

WHEREAS, it is the mission of the City's Economic Development Department (hereafter "the Department") to lead the City toward this goal; and

WHEREAS, the Department, in conjunction with leading economic development organizations, has compiled a Strategic Plan for Enhanced Economic Development (hereafter "the Plan") to guide local activities toward achieving this goal, a copy of which is set out in Exhibit A; and

WHEREAS, on May 24, 2001, the Plan was approved and accepted by the City pursuant to Ordinance No. _____ and more particularly described in Exhibit A; and

WHEREAS, the Plan recommends that the existing San Antonio Economic Development Coordinating Council be replaced with a new organization named San Antonio, Inc. to represent a more inclusive partnership between leading economic development organizations; and

WHEREAS, each member of San Antonio, Inc. will serve in the capacity of a shareholder seeking a better return on the City's overall investment, the proposed board structure being more particularly described in Exhibit B; and

WHEREAS, notice of the ordinance establishing San Antonio, Inc. was given to the public in accordance with the Texas Open Meetings Act; and

WHEREAS, on May 24, 2001, the City held a public hearing in the Council Chambers located at 114 W. Commerce on the consideration of an ordinance establishing San Antonio, Inc. and considered evidence and testimony of interested persons for and against the proposed establishment of San Antonio, Inc.; and

WHEREAS, the City finds that it is in the best interest of the City to establish a new organization named San Antonio, Inc. to coordinate economic development efforts in the community as set out in the City Council adopted Strategic Plan for Enhanced Economic Development; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:


SECTION 1. The City Council hereby establishes San Antonio, Inc. to serve as the umbrella coordinating organization for economic development in the City of San Antonio. The Board structure set out in Exhibit B is hereby adopted for San Antonio, Inc. Membership on the various Board tiers of San Antonio, Inc. shall reflect the organizational chart. The names of the individuals serving in the capacities of the listed Boards shall be attached as Exhibit C and updated periodically.

SECTION 2. Pursuant to Exhibit B, the Mayor of the City of San Antonio shall serve as the Chairman of the Board of Governors of San Antonio, Inc., and the Director of the Economic Development Department for the City of San Antonio shall serve as the Chairman of the Executive Board and the Board of Directors.

SECTION 3. City Staff is directed to take all necessary steps and authorized to execute any required documents necessary to carry out the intent of this ordinance.

SECTION 4. This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 24th day of May, 2001.



M A Y O R

Howard W. Peak

ATTEST:


ASSISTANT City Clerk

APPROVED AS TO FORM:


for City Attorney



City of San Antonio

Economic Development Department

City Hall, 4th Floor

100 Military Plaza

San Antonio, Texas 78205

Phone: 210-207-8080

Fax: 210-207-8151

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